



MEMORANDUM

TO: Members of the UCFRB Remediation and Restoration Advisory Council

FROM: Carol Fox, NRDP *CF*

DATE: June 14, 2013

SUBJECT: June 19, 2013 Council Meeting

The Advisory Council will meet **Wednesday, June 19, 2013** at the Elk's Lodge in Deer Lodge. The meeting will be held from 11:00 a.m. to 12:15 p.m., to be followed by a bag lunch and tour for Council members of the Clark Fork River site. Attached are the agenda and backup meeting materials. Below is a summary of the agenda items.

Big Butte and Milltown State Park Grant Modification Proposals – Action Item

Council members will decide on their recommendations to the Trustee Restoration Council and Governor regarding proposed modifications (attached) to the 2005 Big Butte Acquisition and 2009 Milltown State Park grant projects. Grant project representatives and the NRDP briefed the Council on these modifications at your May meeting. The proposed modification to the 2005 Big Butte grant involves reallocation of approximately \$50,000 to \$70,000 estimated in remaining funds for operations and maintenance costs for the Big Butte property over a 10-year period. The proposed modification to the Milltown State Park grant involves a revision to the Confluence area access route alternative, as well as approval to develop some limited park infrastructure associated with non-motorized access amenities at the Confluence area, prior to the establishment of permanent access to that area. Although these proposed modifications do not entail a budget change, they do involve a substantive change of scope, which requires the Governor's approval and consideration by the Advisory Council and Trustee Restoration Council.

The 30-day public comment period on these modifications ends June 14, 2011. Attached are copies of the comment letters received so far. We received two comment letters specific to the Big Butte modification, one in support and one in opposition to it. We received three letters specific to the Milltown modification, all in support. We will send any additional comment letters we receive via an email update to you early next week, along with supplemental information being prepared by FWP staff related to Council discussions and requests made at your May 22nd meeting on the Milltown modification.

At your June 19th meeting, grant recipients and NRDP representatives will offer updates on these two modifications. The NRDP supports both of these proposed modifications. After consideration of public comment, the Advisory Council will decide on its recommendations. The Trustee Restoration Council will meet on Monday, June 24, 2013 to consider the proposed modifications, starting at 2:30 p.m., in Room 152 of the Capitol.

Confluence Acquisition Project – Informational Item

In June 2012, Five Valleys Land Trust (FVLT) submitted a restoration concept abstract (attached) for partial funding of \$400,000 from the NRDP for acquisition of a 202 acre property located near the confluence of Rock Creek and the Clark Fork River 20 miles east of Missoula. The State included this project as a potential land acquisition project to be considered for further review and a subsequent funding decision in the December 2012 *Final Upper Clark Fork River Basin (UCFRB) Aquatic and Terrestrial Resources Restoration Plans* (“*Final Restoration Plans*”). Through its ownership and management of the property, FVLT seeks to protect the property’s conservation values, such as natural habitats for plants, fish and wildlife, and recreational opportunities for the general public.

This spring, the FVLT provided the NRDP with its due diligence land transaction documents, which the NRDP has reviewed and found acceptable. While we need to have further exchanges with FVLT on a few issues, the NRDP is favorable to funding the project. We expect to have our funding evaluation and recommendation document completed and out for public comment by the end of June 2013. Representatives of the FVLT and NRDP will brief Council members about this project at your June 19th meeting. This is an informational item. Following consideration of public comment, the Council will decide on its funding recommendation for the Confluence project, which will likely occur at a Council meeting in August or September 2013.

Advisory Council Tour of Clark Fork River site

Following lunch, the Council will tour of the integrated remediation and restoration work being conducted on the Clark Fork River near Warm Springs. Due to transportation and site access limitations, this tour is for Advisory Council and Clark Fork River Design Review Committee members only. DEQ is organizing a separate tour for the public on Saturday, June 22, 2013, starting at 11:00 a.m. Please refer to the agenda for more information about this public tour.

UPPER CLARK FORK RIVER BASIN REMEDICATION AND RESTORATION ADVISORY COUNCIL

Wednesday, June 19, 2013
at the Elk's Lodge in Deer Lodge
230 Main Street (corner of Main & Cottonwood Ave.)

Bill Rossbach, Chair
Missoula

Maureen Connor
Vice-Chair
Philipsburg

Kay Eccleston
Anaconda

Roy O'Connor
Missoula

Jim Kambich
Butte

Jon Krutar
Ovando

Mike McLean
Anaconda

Mick Ringsak
Butte

Tracy Stone-Manning, Director
Dept. of Environmental Quality

Jeff Hagener, Director
Dept. of Fish, Wildlife and Parks

John Tubbs, Director Dept. of
Natural Resources and
Conservation

Joe Durglo, Chairman
Confederated Salish & Kootenai
Tribes

Jacqueline Lavelle
U.S. Dept of Interior

MEETING AGENDA

Note: Full Council mailing materials are posted on the NRDP website at:
<https://doj.mt.gov/lands/advisory-councils/>.

11:00 – 11:10 Introductions and Administrative Items

- Past meeting summary – Action Item

11:10 – 11:45 Grant Modification Proposals – Action Items

2005 Big Butte Grant Amendment

- Updates from Butte-Silver Bow and NRDP staff
- Public Comment
- Advisory Council deliberations and vote

2009 Milltown State Park Grant Amendment

- Updates from FWP and NRDP staff – Q & A
- Public Comment
- Advisory Council deliberations and vote

11:45 – 12:15 Confluence Acquisition Project – Informational Item
Additional Public Comment/Announcements/Wrap-up

Lunch Break – Deli sandwiches provided for Council members

12:45 – 3:15 Advisory Council tour of Clark Fork River site

Note: Due to transportation and site access limitations, this tour is for Advisory Council and Clark Fork River Design Review Committee members only; a separate tour will be held for the public on Saturday, June 22, 2013, 11:00 a.m. This public tour will start at the Eagle Entrance to the Warm Spring Ponds wildlife management area, located off Morel Road. If you plan on attending or need more information, **please RSVP** to Katie Garcin at KGarcin@mt.gov or 841-5042. For more information about the site please visit DEQ's website: <http://www.deq.mt.gov/fedsuperfund/cfr.mcp.x>.

For a current fact sheet on the website above, go to the "Documents and Reports" tab and then scroll down to the "Fact Sheets and Public Presentations" tab.

May 22, 2013 Advisory Council Draft Meeting Summary

Held from 1:00 to 3:30 p.m. at the Lions Club in Bonner

Council members present: Maureen Connor, Jim Darling, Kay Eccleston, Jon Krutar, Eric Mason, Mike McLean, Roy O'Connor, Mick Ringsak, Mary Price, Bill Rossbach, Laurence Siroky.

Council members absent: Jim Kambich, Katie Garcin

Optional Milltown Tour: Council members Maureen Connor, Jim Darling, Kay Eccleston, Jon Krutar, Eric Mason, Mike McLean, Roy O'Connor, Mary Price, Bill Rossbach, Laurence Siroky, along with FWP and NRDP staff, viewed the Milltown site before the meeting, from the bluff overlook and Confluence areas.

Administrative Items: The Council approved the 10/17/2012 and 11/28/2012 draft meeting summaries.

Grant Modification Proposals: Carol Fox explained the process for the Council's consideration of the proposed modifications to the Milltown State Park and Big Butte Acquisition grants. The NRDP determined the modifications constituted a substantive change in scope, thus triggering consideration by the Advisory Council and Trustee Restoration Council and public comment prior to an approval decision by the Governor. The public comment period started on May 16, 2013 and ends on Friday, June 14, 2013. The Advisory Council will determine its recommendation at its June meeting. The modifications are available on the NRDP website at: [https://doj.mt.gov/lands/notices-of-public-comment/.](https://doj.mt.gov/lands/notices-of-public-comment/))

Milltown State Park Modification Proposal: Mike Kustudia of Montana Fish, Wildlife and Parks (FWP) summarized and answered questions about the proposed modification to the approved 2009 Milltown State Park grant project involving public access options. Following is a summary of the questions and responses (indicated with "R") and comments made on this modification.

- What is the cost estimate for the additional investigations and analysis of access alternatives associated with this modification? What are the economic consequences of this additional work on the allocation of existing project funds? R: We have not estimated these specific costs. We will stay within the approved budget. Bill Rossbach responded that he is concerned about a "robbing Peter to pay Paul" outcome in which a lot of money is spent on exploring alternatives such that it impacts the available budget for access features. Maureen Connor indicated she shared this concern and requested more specific budget information.
- What are the limitations of the Gateway site for access? R: Mike Kustudia reviewed the reasons why access features at the Gateway were minimized, associated with the 2012 modification. Those limitations include private property ownership and unfavorable conditions for parking and boat launch.
- If the I-90 pier safety issue is resolved, will the Gateway access site be of more focus? R: If we are successful in getting the needed easement, there can be more access feature development, but sufficient space for parking is a limitation.

- What about purchasing a road easement from IP? R: IP is not willing to consider just an easement; they want to unload the property, along with any potential future liability.
- Did the IP landfill closure meet standards? R: DEQ approved closure based on the standards that applied in 1992.
- What do you need to do to explore the other access alternatives? R: We need to have a traffic engineer assess the railroad underpass option, which can be done within the budget of the 2009 grant. There are limitations to address. For example, the RR underpass would not allow for emergency vehicles as the underpass is only 10 feet high and 18 feet wide.
- In the worst case situation where IP property is not usable and the underpass is used for pedestrian access, what would you do about parking and what will happen with the funds set aside for the parking lot? R: We don't know yet; we are still at the conceptual planning stage.
- What is the budget for access and what portion of the budget might have to go to fixing the trestle? R: I don't have the budget readily available, but we are constricted to the total grant budget. We don't know such costs at this time. If there is a significant change that would be needed in the scope or budget as a result of these additional investigations, we would have to go through the substantive change of scope process again.

Chas VanGerdenen, FWP Parks Division Administrator, emphasized the need for the modification to provide FWP the latitude to explore access options. That work entails discussions with IP, the railroad, MDOT, and Missoula County. There may be alternatives involving other entities owning the IP lands. FWP is constricted to the approved budget.

Doug Martin of the NRDP provided additional background on the NRDP's substantive change of scope consideration/approval process and opportunities for public input in that process. He indicated the NRDP supports the proposed modification, pending further review of public comments. He clarified that the modification not only entails the additional investigation of access alternatives, but also the implementation of access features based on that analysis.

Bill Rossbach noted the incredible importance of public access to this area and need for having leverage to explore access alternatives. He requested that FWP provide more concrete information to the Council for its decision meeting next month about the budget for the due diligence work and consequences of unanticipated additional design expenses.

Public Comment: Peter Nielsen of Missoula County commented in support of the modification. FWP needs the latitude to consider all access options. The modification does not require a budget change. It is important that the project move forward. There is a lot of "raw" restoration on the land and access features and management is greatly needed. The modification will provide a walk-in access if the vehicular access option won't work out. The funds allocated for trails to other areas should proceed independent of this issue as soon as possible. It is important that we show the public progress on this because we promised public access.

2005 Big Butte Modification Proposal: Julia Crain of Butte-Silver Bow summarized and answered questions about the proposed modification for the 2005 Big Butte acquisition project to allow Butte-Silver Bow to use remaining grant funds on operation and maintenance activities. Following is a summary of the questions and responses (indicated with “R”) and comments made on this modification.

What has been the history of the NRDP’s policy regarding funding of operation and maintenance activities? R: It has evolved over time. There were a few projects funded for operation and maintenance activities in the early years of the grants program, such as the Greenway and Duhamel grant projects funded in the same year as Big Butte, but such funding requests were discouraged. Butte-Silver Bow chose not to request such funding for the Big Butte project. In recent years, such requests have become more common and were approved for funding to a greater extent, such as the Milltown State Park and Butte Fishing Pond grants.

Has this type of request occurred before? R: Not a request similar to this one. Other substantive change of scope modifications have been approved, but none that have involved using remaining funds.

How does this affect the matching funds requirement? R: Butte-Silver Bow has met its match obligation for the 2005 grant; this modification would increase their match contribution.

Is the reason why this is a substantive change because funds for operation and maintenance activities were not part of this grant, whereas such funds have been included in other approved grants like the Milltown State Park? R: Correct.

Kathy Coleman of the NRDP indicated that the NRDP supports the proposed modification, pending further review of public comments. The NRDP believes using the remaining budget for operation and maintenance is money well spent to protect the investments already made in the project. Of the \$35,000 annual budget for operation and maintenance, Kathy noted that the NRDP’s contribution would be \$7,000 per year and Butte-Silver Bow’s contribution would be \$28,000 per year, which is a good match.

Public Comment: None

Quarterly Updates: Kathy Coleman summarized the 3rd quarter fiscal report and reviewed the new program accounting. In response to a question about the need for such extensive fiscal tracking, Kathy indicated that this level of accounting is needed to maximum interest revenue. Council members expressed appreciation for Kathy’s efforts, the new accounting system, and maximizing interest revenues.

Carol Fox summarized the status of grant projects and the projects included in the *2012 Final UCFRB Aquatic and Terrestrial Resources Restoration Plans* that are being developed. Roy O’Connor noted the description of Silver Bow Creek fish barrier project seemed incorrect regarding eliminating migration of non-natives but allowing migration of natives. Carol agreed and indicated the language would be corrected. Note: Attached is a revised report with this change.

Public Comment: Rayelynn Connole, new Director of the Clark Fork Watershed Education Program (CFWEP), introduced herself, spoke about CFWEP's mission, and distributed CFWEP's most recent newsletter. She expressed appreciation for the Advisory Council's support of CFWEP and for the participation of Kay Eccleston and Mike McLean on the director selection committee.

Next Meeting Agenda and Date: Will be on Wednesday, June 19th in Deer Lodge, with an 11:00 a.m. start so members can join a design review committee tour of the Clark Fork River remediation/restoration that starts work at 1:00 p.m.

Upper Clark Fork River Basin Restoration Fund Quarterly Project and Fiscal Status Report Third Quarter Fiscal Year 2013 May 2013 (revised)¹

Background

This quarterly report prepared by the Natural Resource Damage Program (NRDP) is specific to Upper Clark Fork River Basin Restoration Fund. The State of Montana (State) established this fund in 1999 with the natural resource damages recovered from the State's first of three settlements of its natural resource damage lawsuit against the Atlantic Richfield Co. for injuries to the State's resources in the Upper Clark Fork River Basin (UCFRB), which extends from Butte to Milltown. More background on this lawsuit and the three settlements is available from the NRDP website at: <https://doj.mt.gov/lands/lawsuit-history-and-settlements/>.

Between 2000 and 2011, the NRDP administered an annual restoration grants process funded largely by the interest earnings of the UCFRB Restoration Fund. The Governor approved 122 grant projects for funding totaling about \$119.6 million. In late 2011, the Governor approved a revised framework document for UCFRB Restoration Fund expenditures that allocated the remaining balance of the Fund as of July 1, 2012 (about \$117.1 million) into separate accounts for groundwater, aquatic, and terrestrial resource restoration projects in priority resource areas of the UCFRB. In 2012/13, the Governor approved three *Restoration Plans*² that provide for funding of aquatic and terrestrial restoration and recreation projects in the UCFRB and for groundwater replacements projects that involve improvements to Butte and Anaconda's drinking water system. This report indicates the status of the grant projects funded through 2010 and the groundwater, aquatic, and terrestrial projects included in the *2012 Restoration Plans*. The attached quarterly fiscal report consists of five separate reports:

- Fiscal Report #1, the UCFRB Restoration Fund Report, indicates the FY13 expenses and revenues for the UCFRB Restoration Fund and provides a summary of the expenses for the resource category accounts set up under the UCFRB Restoration Fund as a result of 2011/12 program changes approved by the Governor. It indicates the fund balance for the UCFRB Restoration Fund, as well as other NRD restoration settlement funds.
- Fiscal Report #2, the Resource Category Fund Report, indicates the FY13 expenses, revenues, and fund balances for the resource category accounts.
- Fiscal Reports #3 and 4, the Resource Project Fund Reports, provide further details on the expenses and revenues specific to the resource category and associated project accounts.
- Fiscal Report #5, the Grant Project Fund Report, indicates the status of grant projects.

¹ This revised version dated May 30, 2013 incorporates changes made to the explanation of the Silver Bow Creek fish barrier project on page 3 as a result of input provided at the May 22, 2013 Advisory Council meeting.

² These restoration plans are available from the NRDP's website at: <https://doj.mt.gov/lands/ucfrb-restoration-plans/>.

Status of Groundwater Restoration Projects

In October 2012, the Governor approved groundwater restoration plans covering improvements to the Butte and Anaconda drinking water systems. Anaconda Deer-Lodge City-County has begun implementing their plan, pursuant to a contract agreement finalized with the NRDP in March 2013. In winter 2013, Butte-Silver Bow City-County reorganized its water utility division. The county is in the process of determining which of the Big Hole drinking water system improvements approved in its groundwater plan to go forward with in the near future. Finalization of this contract agreement is pending this determination. All FY13 expenses in the Anaconda and Butte resource accounts to date cover: 1) NRDP staff time to review county groundwater plans and develop contracts to implement those plans; and 2) a proportionate share of NRDP general administration and the Clark Fork Watershed Education Program costs (27% to Butte groundwater account; 9% to Anaconda groundwater account).

Status of Aquatic and Terrestrial Restoration and Recreation Projects

Group 1 Aquatic Flow Projects: Work on these projects to date has mainly involved development of the scope of work and budget for contracts covering the project management and development of the Group 1 Flow Projects. Master contracts have been executed between with the Clark Fork Coalition and Trout Unlimited that cover general flow project management and development tasks. Task orders with these entities have been executed for the Pauley Ranch, Helen Johnson, Whalen/Westside Ditch, Clark Fork River above Deer Lodge, and Harvey Creek flow improvement projects.

Silver Lake Water System flow project: Butte-Silver Bow is in the process of negotiating revisions to its industrial water user agreements to determine what it can offer in terms of potential instream flow to the State and to resolve some of the concerns the State raised regarding this potential water rights transaction that were summarized in the State's response to comment document on the 2012 final restoration plan.

Clark Fork Meadows flow project: This project is being evaluated as a potential land acquisition project. Title and appraisal work are underway. Water rights would be transferred to the State, if the land acquisition is approved.

Flint Creek and Racetrack Creek flow projects: These projects are still at the conceptual, scoping stage. The Racetrack Water Users group is evaluating whether it wants to pursue organizing into legal entity, such as a water district or irrigation association, associated with exploring options with the NRDP and Clark Fork Coalition of increasing stored water at numerous impoundments in the drainage for instream flow purposes. The Clark Fork Coalition and NRDP will meet with the Flint Creek Watershed Group to determine what, if any, potential flow project prospects might be worth exploring in the near future.

Aquatic Non-Flow Projects: Work on these projects to date has mainly involved development of the scope of work and budget for contracts covering the project management and development of the non-flow projects included in the *2012 Restoration Plans* for work in aquatic priority watersheds that is scheduled for 2013/14. Those projects involve riparian habitat protection/enhancement, fish passage improvement, fish entrainment reduction, and/or in-stream habitat improvement projects. Master contracts have been executed between with the Watershed Restoration Coalition and Trout Unlimited that cover general project management, assessment,

design, and other project development tasks. Task orders with Trout Unlimited have been executed for the work in the Harvey Creek and Browns Gulch watersheds. Task orders with the Watershed Restoration Coalition are pending finalization for work in the Browns Gulch, Cottonwood Creek, and Little Blackfoot River watersheds. Task orders with Trout Unlimited are pending finalization for work in the Blacktail Creek, Little Blackfoot River and Flint Creek watersheds.

The NRDP has developed monitoring and maintenance task orders for work at the Milltown site including vegetation monitoring and annual maintenance, channel maintenance and completion of the FEMA floodplain mapping. No significant work is planned for 2013.

A concrete fish barrier will be constructed on Silver Bow Creek (SBC) approximately one mile upstream of Fairmont Bridge. The purpose of the barrier is to eliminate migration into upper Silver Bow Creek of both rainbow and brown trout to allow the native Westslope Cutthroat Trout, coming preliminarily from German Gulch, to persist from the barrier to Butte in Silver Bow Creek without risks of hybridization and competition from the mentioned species, respectively. Fish barrier construction is a specific work component of DEQ's 2013 remedial bid package for the last three miles of SBC along Durrant Canyon, with work scheduled for completion by mid-October, 2014.

Terrestrial Projects: Work this quarter has involved land transaction due diligence steps, such as title work and appraisal work on: the Confluence property located at the confluence of Rock Creek and the Clark Fork River; the Garrity Mountain Wildlife Management Area Addition property (referred to as the Brickley property) near Anaconda; the Clark Fork Meadows property near Galen; and the Harris Property near Milltown. Initial discussions have occurred with the Five Valleys Land Trust regarding the scope/timeframe for the Dry Cottonwood Creek easement project near Deer Lodge. The NRDP is working FWP on other potential land acquisition prospects covered included in the *2012 Restoration Plans*.

The NRDP executed a contract with the Avian Science Center for bird monitoring at FWP Wildlife Management Areas (Spotted Dog, Blue Eyed Nellie) during spring 2013. This is one component of the terrestrial monitoring covered in the *2012 Restoration Plans*.

Initial scoping discussions have occurred between the NRDP and Project Sponsors of two monitoring studies included in *2012 Restoration Plans*. One project is a study of mercury contamination in Flint Creek; the other is a beaver habitat mapping project.

Recreation Projects: The NRDP has been working with Project Sponsors on needed project development and due diligence tasks for three of recreation projects included in the *2012 Restoration Plans*: the Drummond Kiwanis Riverside Park, the Deer Lodge Trestle Park, and the Washoe/Hafner Dam Parks. Survey, title and appraisal work completed for the Drummond project is undergoing NRDP review. Additional conceptual design work for the Deer Lodge Trestle Park is being conducted by the consultant for Powell County. The NRDP and Anaconda-Deer Lodge County executed a contract for a LIDAR survey at Washoe Park that will help the County decide on priorities for NRDP-funded improvements. FWP is preparing the scope of work for the Milltown State Park project with implementation to start within the 2013 calendar year. The NRDP has set up an interagency agreement with the Department of Natural Resources and Conservation to have the remains of the Stimson Dam on the Blackfoot River removed in late summer 2013.

Status of Encumbered Grant Projects

Of the 122 grant projects approved for funding totaling about \$119.6 million between 2000 and 2010, 21 remain to be completed. Fiscal report #5 indicates the general status and amount remaining to be spent for each of these active projects. The total remaining to be spent for all projects is about \$17.9 million.

Active Grant Projects in Operation and Maintenance Phase: The following four projects have been completed, except for operation and maintenance activities that have been approved for multiple years following project completion.

- Blue Eye Nellie Moore acquisition (2009 grant)
- Upper Little Blackfoot River stream restoration (2006 grant)
- Paracini Pond acquisition (2009 grant)
- Spotted Dog acquisition (2010 grant)

Active Grant Projects Pending Final Invoicing/Reporting: Work on the following seven projects have been completed and the projects will be closed out once final invoicing and reporting is completed.

- Anaconda Waterline Year 9 (2010 grant)
- State of Georgetown Lake 3-year Study (2008 grant)
- Cottonwood Creek Habitat Enhancement (2010 grant)
- Johnson/Cottonwood Creek Trail (2007 grant)
- Bighorn Reach A Revegetation (2000 grant)
- Butte Native Plant Diversity (2008 grant)
- German Gulch Watershed (2005 grant)

Active Grant Projects with Work Remaining: Work remains to be completed on the following 10 projects. Four projects (marked an *) are likely to be completed in 2013).

- Development Acid/Heavy Metal Tolerant Releases (2010 grant)
- Milltown Bridge Pier and Log Removal (2009 grant)*
- Milltown/Two Rivers Recreational Facilities and Access (2009 grant)
- Big Butte Acquisition (2005 grant)
- Big Hole Transmission Line Year 4 (2010 grant)*
- Butte Waterline Year 10 (2010 grant; waterline complete, metering on-going)
- Butte Children's Fishing Pond (2010 grant)
- Maud S Canyon Trail/Open Space (2010 grant)*
- Silver Bow Creek Greenway (multiple years grant)
- Thompson Park Improvement (2007 grant)*

Status of Other Encumbered Projects

Milltown Restoration: Work covered by the \$9.6 million allocation has been completed; a few invoices to be paid from the \$5,235 remaining in this allocation.

DOI Wetlands: To date, the State has been unable to reach an agreement with ARCO regarding Dutchman wetlands transfer that would be in the public's interest. For more background, refer to the State's response document on the *2012 Restoration Plans*, available at: <https://doj.mt.gov/lands/ucfrb-restoration-plans/>.

**Name: Big Butte Property Acquisition Project -- \$667,641.00
(Contract No. 600181)**

Request: Modification – Scope of Work

Progress to Date. Pursuant to the 2005 Big Butte Acquisition grant contract and scope of work, funds have been used by Butte-Silver Bow to acquire land (approximately \$510,000) and to purchase materials to protect the area (approximately \$54,000). No project management or administrative expenses were charged to the NRD grant, but rather provided as a significant in-kind match. In all, 27 legal parcels were acquired from 16 private landowners to bring 305 acres into public ownership to comprise the area now known as the Big Butte Open Space Park (see Exhibit 1, Site and Ownership Map). Pending the completion of final project tasks in spring 2013, approximately \$40,000 will be spent to complete one last land acquisition (\$3,000) and to repair the perimeter and install trail user amenities (\$32,000; kiosk with trail map, permanent garbage containers, etc.). It is expected that there will be approximately \$50,000 to \$70,000 remaining in the grant when all project objectives are achieved.



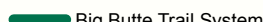


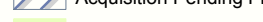


Operations and Maintenance Request. Big Butte is managed and maintained as part of Butte-Silver Bow's system of parks, trails and open space assets. BSB invests approximately \$35,000 in Big Butte Open Space O&M annually. The grant scope and contract modification for the Big Butte Property Acquisition Project is to re-program the remaining grant funds toward long-term maintenance. This request substantially modifies the original project scope of work. In the 2005 application, Butte-Silver Bow agreed to assume responsibility for operations and maintenance because at the time use of NRD funds for operations and maintenance was not encouraged. Today, however, modifications to NRD guidelines allow project work plans to include O&M.

Re-zoning of the Big Butte area from Single-Family Residential (R1) to Open Space-Conservation (OS-C) was adopted in 2012, and the attendant land use regulations of the OS-C zone afford the area effective protection. Trail enhancements and perimeter fencing have promoted stewardship among users and fostered the return of native flora and fauna. Butte-Silver Bow is committed to sustaining the success of this restoration project through effective, long-term maintenance. Applying remaining grant funds to this site over the next several years would provide a stable, shared source of support for BSB to implement its long-term commitment to this site.

Description. As reflected in Exhibit 2, Budget, Butte-Silver Bow seeks to modify the existing grant agreement and convert the remaining grant funds (estimated at \$50 – 70,000) to long-term maintenance, dispersed through an annual, cost-share stipend of approximately \$7,000 for up to 10 years. The NRD stipend would be combined with Butte-Silver Bow resources to help defray direct costs such as maintenance laborer's salary and wages and weed control, fence repair, garbage/debris pick-up and miscellaneous maintenance tasks. Management time, equipment and indirect costs would continue to be paid by Butte-Silver Bow.

After the NRD funds are spent, Butte-Silver Bow would assume all maintenance costs. As the project sponsor, we believe the request for re-programming of remaining grant funds to operations and maintenance is reasonable, consistent with the goal of the natural resource damage program, and will be instrumental in the long-term success of the Big Butte project.

Exhibit 1., Big Butte Site Ownership Map

-  Arterial Road
-  Road, Street, or Trail
-  Big Butte Trail System
-  Big Butte Open Space Park Boundary
-  Acquisition Pending Final Survey and Filing
-  Acquisition Complete
-  Property Boundary (Reference Use Only)
-  Urban Limits

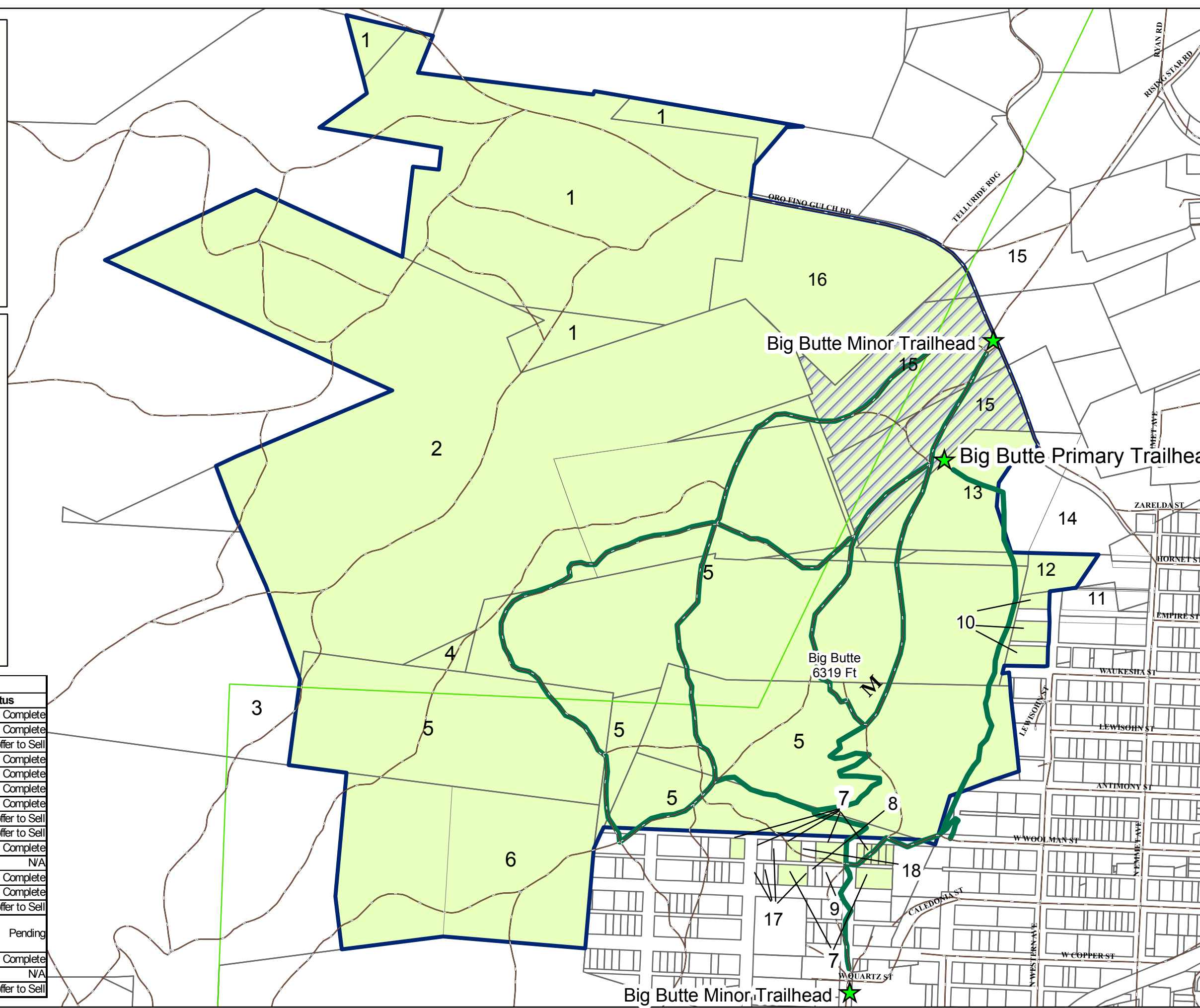
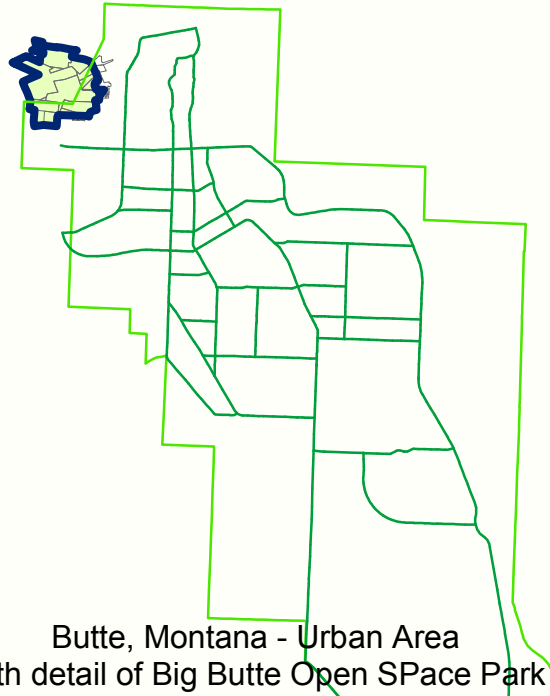
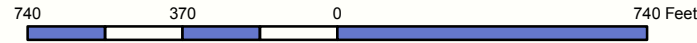


Figure 1. Parcel Ownership

Parcel No.	Owner	Cost	Size (Acres)	Status
1	MMP	\$66,030.00	44.02	Complete
2	Sorini	\$135,360.00	90.24	Complete
3	Chattel	\$4,500.00	3	Declined offer to Sell
4	Burgess	\$5,000.00	0.79	Complete
5	MMP	\$150,000.00	80.99	Complete
6	MMP	\$0.00	28.97	Complete
7	CCA	\$16,932.00	1.891	Complete
8	Grinolds/Burgess	\$875.00	0.08	Declined offer to Sell
9	Cleveland	\$2,613.00	0.24	Declined offer to Sell
10	MMP	\$24,422.00	0.977	Complete
11	BSB	\$0.00		N/A
12	Johnson	\$25,000.00	1.16	Complete
13	Hollow	\$19,500.00	14.75	Complete
14	Hollow	\$25,000.00	5	Declined offer to Sell
15	Mining Claim Master/ Henningsen/Cooney	\$35,640.00	23.76	Pending
16	Cooney	\$21,750.00	16.11	Complete
17	BSB	\$0.00		N/A
18	Barry	\$4,000.00	0.015	Declined offer to Sell

Exhibit 2: Operations & Maintenance Request
Big Butte Open Space Project - Annual Operations & Maintenance
2013 Addendum Proposal - Natural Resource Damage Program Advisory Council
13-May-13

DESCRIPTION	Annual Hours	Total	NRDP Share	BSB Share
<u>Salaries and Wages</u>				
Jon Sesso, Planning Director	52	\$2,121	0	\$2,121
Julia Crain, Special Projects Planner	104	2,288	0	2,288
Kelly Dennehy, Parks and Rec Maintenance Supt.	104	2,811	0	2,811
Maintenance Laborers	320	6,941	4,164	2,776
Sub-Total Salaries		14,161	4,164	9,997
Benefits @ 53% of Wages		7,505	2,207	5,298
TOTAL WAGES AND BENEFITS:		21,666	6,372	15,295
SUPPLIES & MATERIALS				
Weed control herbicide and supplies (average over five years)		1,000	600	400
EQUIPMENT (truck and tools)		8,000	0	8,000
9. MISCELLANEOUS				
Indirect Costs @ 20% of salaries/benefits		4,333	0	4,333
TOTAL ANNUAL O&M COSTS:		\$ 35,000	\$ 6,972	\$ 28,028

**Public Comments on the
2005 Big Butte Grant
Amendment**

Coleman, Kathleen

From: Tom Bowler <mttomb@bresnan.net>
Sent: Saturday, May 25, 2013 1:48 PM
To: Natural Resource Damage Program
Subject: Disposition of residual funds form 2005 Big Butte Grant

I once more read with equal levels of fascination and disgust at how the local Butte-Silver Bow government is requesting approximately \$50,000 dollars in "left over" funds that they would allegedly apply to long term maintenance of the Big Butte Park. I have to immediately ask why. I fail to see how a significant amount of previous expenditures can be properly accounted for and feel the taxpayer and advocate for the natural environment would be far better served if the NRD program simply took that cash and set it on fire to heat the offices in Helena. Even that modest thermodynamic benefit and potential to lower the heating bill would be orders of magnitude more beneficial to the citizens of Montana than to turn it over to the likes of Mr Sesso and local Butte government.

In watching the NRD process play out over a number of years I do not believe that I have observed a thing stray so far from the intent that I was lead to believe the Natural resource damage legal action was intended to remedy; be so fraught with fraud, waste, and abuse; while so absurdly failing to achieve its stated intent of restoring or replacing natural resources lost to historic, grossly negligent industrial abuse. FOR THE BENEFIT OF THE PUBLIC.

I will cite as examples both the local Thompson Park and Greenway trail. In each case, major NRD money has been allocated to these areas to allegedly provide opportunities to the public to enjoy the natural resources of the state. Extravagant, expensive signage is prominent in both locations. However, the number picnic tables and use sites are laughable, and every time I have had a call to attempt to use the new, high dollar restrooms that were likely paid for with NRD money -- these were locked up tighter than a drum. Just today, May 25th, Memorial Day weekend; I stopped in at the "Whiskey Gulch Station" west of Butte on the Greenway. There were several cars in the parking lot to indicate the restored environment in that area are both enjoyed and used. One group of folks was apparently right beside the repaired Silver Bow Creek taking portrait photos that looked to be along the lines of graduation or wedding photos. Thus, it would seem, the efforts to fix the historic environmental damage are paying dividends when the money is actually applied. What stuck out like a sore thumb amid this halcyon scene was that the extravagant bathroom was bolted tight, as I have found it to be every single time I have stopped at that location. So, how well was that money spent I ask. A large modern restroom with a grossly over done sign in front of it is of zero value to the public if it remains locked up and unusable. Once again, I would contend that every dime of NRD money that went into that restroom facility would have been of more value to the Montana Citizen if the funds had been set on fire. If people cannot use what the money is being spent on, the money should never be spent.

So it is with the request for "maintenance" money by Butte-Bow. From the past evidence I have seen, I seriously doubt that any of that \$50,000 will go to benefit the public, but merely to subsidize the horrendous inefficiencies of the local government. Thus Mr Sesso can comfortably remain polishing the seat of his chair with his derriere and laud how he has brought in the dough so the local ratepayer can sleep comfortably at night.

The Montana Standard recently ran an article written by Mr Gary Swant, an area avian expert and advocate. He noted how the wetlands in the I-15/90, Lexington Avenue area in Butte could be a greatly improved bird watching location and general pleasant place to pause if some modest parking, observation, and restroom facilities could be placed there. This to me is the kind of use the NRD money was intended for. Of course, a fellow like Mr Swant, in contrast to Mr Sesso, probably has more than a day job doing work for the general good and does not have the time to write a grant to get NRD money so that kind of beneficial use goes unrealized and unavailable to the public as parasites like the local Butte government with too much time on their hands let the grants fly and suck the NRD money out of the bank faster than Dracula draining Lucy Westenra. Then wrap a chain around the bathrooms they build with it to insure that nobody gets in to actually use the facilities so they might have to expend the "maintenance" money they have shaken the fund down for. Of course, a "modest" facility at the Butte wetlands is probably not in the cards once the process starts rolling. As the old saying goes, if your only tool is a hammer -- everything looks like a nail to you. Mr Swant's vision of a functional

avian enjoyment area would soon turn into another Three Gorges Dam project once the hired consultants Got involved and most of the money went to the enormous glass sign in front of the off-limits restroom than an actual useable privy for the bird enthusiast to use.

Silver Bow Creek below the Butte sewage plant discharge remains uninhabitable to fish because the plant upgrades that could remedy that conditon drag on while Butte-Silver Bow, the EPA, and ARCo play a game of "He's touching me, he's touching me" Meanwhile, above the sewage plant discharge a fish mortality study done a few years ago below the Montana Pole effluent discharge and in proximity to the LAO mine tailings remediation site had zero casualties. Fish are frequently seen rising on that section of the stream. Frogs, snakes waterfowl, beaver, and muskrats among others, along with more terrestrial wildlife abound. So what do ARCo and the EPA do here, they repeatedly rip out the beaver dams and continue to treat the stream as the industrial process pipe that it used to be rather than the naturally functioning, successfully remediated stream that the cited wildlife would indicate that it has become and which the public was lead to believe it would be after the NRD mitigation efforts had been completed. We went from a stream that could not support an insect or plant let alone a fish or frog -- to a willow lined habitat which the purported public and private stewards of same seem to loathe as they scatter the baby geese from the beaver ponds time and again and rip into the beaver lodges and dams with an excavator. Those piles of beaver dams are far more appealing to the nature enjoying public piled in heaps on along the road than actually in Silver Bow Creek after all. So once again, i ask, what value has the citizen of Montana realized if NRD turned Silver Bow Creek into a living stream again and folks like BSB, EPA and ARCo continue to impede the ongoing improvement over petty turf wars and power mad PFC ego trips.

If the "left over" NRD money so going to frittered away again by handing it over to BSB, please split it down the middle. Half for them, half to be retained by the NRD program to make periodic, random, unannounced inspections to insure the fences at Big Butte actually got fixed and that the bathrooms are open so the bills for the septic service can be proven legitimate.

Tom Bowler
735 W Broadway
Butte, Montana 59701

Fox, Carolyn A.

From: Coleman, Kathleen on behalf of Natural Resource Damage Program
Sent: Friday, June 07, 2013 1:38 PM
To: Fox, Carolyn A.
Subject: FW: Big Butte Grant Modification

From: Jocelyn Dodge [<mailto:jocedodge@gmail.com>]
Sent: Friday, June 07, 2013 6:48 AM
To: Natural Resource Damage Program
Subject: Big Butte Grant Modification

I am in favor of the proposed modification to the Big Butte grant to spend the balance of the budget on operation and maintenance of the open space area. Since the grant was awarded there has been a change to the NRDP grant program to allow funding for operation and maintenance of facilities constructed with NRDP funds.

I think it is a wise investment of money to ensure areas such as Big Butte are able to be maintained so long as they are matched with local or state government funds. Other projects such as Bonner and the Kids Fishing Pond included an operation and maintenance component in their grant requests so this request is in line with other NRDP projects.

Since the goals and objectives of the grant have been met; the remaining balance should go toward operation and maintenance.

Thank you,

Jocelyn Dodge
114 Waldron
Butte, MT 59701



Proposed NRDP Grant Modification for the Milltown State Park Development (5-16-13)

Background

In 2010 Montana Fish, Wildlife and Parks (FWP) was awarded a grant from the Natural Resource Damage Program (NRDP) to develop the initial infrastructure for the new Milltown State Park (\$927,530), to acquire additional property for the Park (\$1,080,000), and to conduct initial operation and maintenance activities over a 5-year period at the Park (\$656,219). This 2009 grant project was based on a 2008 conceptual design developed with Missoula County and the Milltown Superfund Redevelopment Working Group. Significant changes in the development context prompted FWP, through Montana State Parks, to seek a grant modification in 2012 to shift the development focus and funds from the Gateway area to the Confluence area. In addition, funds awarded for the design of the Clark Fork River pedestrian bridge were reallocated to the Confluence area development. (Bridge design was terminated at the conceptual level (30% design). The Governor approved this 2012 change in scope, subject to a funding condition stipulating that permanent access be secured before development in the Confluence area, as recommended by the NRDP, the Advisory Council, and the Trustee Restoration Council.

This second request for modification relates to the entrance to the Confluence area, the site of trails, river access and interpretive exhibits. Two roads enter the area: 1) the access road that crosses the International Paper (IP) land to the west of the Confluence; and 2) access via Juniper Drive, a state road managed by Missoula County, that enters the park through a low, narrow and aging railroad underpass owned by Burlington Northern Santa Fe and leased by Montana Rail Link. The underpass poses challenges for safe traffic flow and emergency access, but it has yet to be investigated from a traffic engineering and public safety perspective. The 2012 modification was based on use of the IP access road.

Since the 2012 modification, plans for entrance into the Confluence area significantly hinged on access through the IP property. IP has offered a donation of the land to the State, but it has steadfastly denied FWP the full opportunity to perform its due diligence in acquiring the 16-acre parcel. A 5-acre landfill, containing boiler ash and wood waste from the Champion mill, forms the northern portion of the land. IP has declined to give FWP the permission to conduct the necessary test sampling in the landfill to determine if contamination issues exist that would make the State potentially liable in the future. This issue remains at an impasse.

Proposed Modification

Public access is vital to the Confluence area, the heart of the park and a prime administrative site. Montana State Parks requests the authorization to investigate and pursue all options for public access at the Confluence site, including, but not limited to:

- Vehicle access through the Juniper Drive railroad underpass;
- Parking at the end of Juniper Drive with walk-in access through the underpass; and
- Future access through IP land.

While investigating access, Montana State Parks also seeks to proceed with non-motorized vehicle access amenities at the Confluence area such as, but not limited to; a visitor contact station, an interpretive shelter, hand launch boat ramp, safety and boundary fencing, toilets, signing, and trails. Until permanent road access is established into the Confluence area, FWP does not propose to construct roads or other park amenities that are associated with vehicle access. The modification would give Montana State Parks greater latitude to pursue park implementation at the already very challenging site.

FWP seeks a favorable recommendation by the Advisory Council and Trustee Restoration Council and a decision by the Governor to approve:

A modification to the 2009 NRDP grant, amended in 2012, for Montana Fish, Wildlife & Parks to investigate and pursue alternative options for public access into the Confluence area and to start limited infrastructure activities associated with non-vehicle access within the Confluence area prior to establishment of permanent access.



An aerial view of the IP property, Juniper Drive and the Confluence area of Milltown State Park.

**Public Comments on the
2009 Milltown State Park
Grant Amendment**

Coleman, Kathleen

From: Gary Matson <gmatson@montana.com>
Sent: Monday, May 27, 2013 10:47 AM
To: Natural Resource Damage Program
Subject: Modify Milltown Park Grant

My letter supporting modification of the Milltown Park Grant follows:

Gary Matson
Box 308
Milltown MT 59851

27 May 2013

Natural Resource Damage Program
PO Box 201425
Helena MT 59620-1425

Re: Modification of the Milltown State Park Grant

Dear Sirs,

I support modifying the Grant to allow Park development at both the Gateway and Confluence to proceed before the final routes for public access have been fully defined. It is particularly important that the restoration at the Confluence be completed and, when practicable, it complement the location of trails and other facilities. These features will be integral to the fully developed Park no matter if/where there is vehicular access.

As always, I share with many others in being deeply appreciative of the State's remarkably successful restoration at the Milltown site and look forward to the long-anticipated beginning of Park development. I believe this beginning can take place at an appropriate level not dependant upon the exact access points. As Park development begins, heightened public appreciation and interest can help move forward the decision making for the final public access points.

Sincerely,

Gary Matson



BCC 2013-083
June 11, 2013

RECEIVED
JUN 13 2013
NATURAL RESOURCE
DAMAGE PROGRAM

Ms. Carol Fox and Member of the
Upper Clark Fork Advisory Committee
Natural Resource Damage Program
P.O. Box 201425
Helena MT 59620

RE: 2013 MILLTOWN GRANT MODIFICATION

Dear Ms. Fox and Advisory Committee Members.

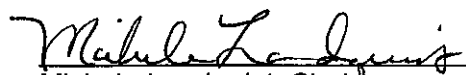
Missoula County supports the proposed Milltown Grant Modification Proposal.

Missoula County was a co-applicant on the 2009 Natural Resource Damage Program grant for the Milltown project. We have consulted with the Department of Fish, Wildlife and Parks (FWP) regarding this grant and support the proposed modifications.

An important goal of the project is to provide public access to the restored confluence. Facilities to manage public use, protect natural resources and prevent conflicts with neighboring landowners are related to that goal. Public use of the Clark Fork River for floating and fishing has increased dramatically in recent years. FWP needs the flexibility to investigate options for providing access to the confluence. Missoula County is committed to working cooperatively with FWP to secure public access to the state park.

The Natural Resource Damage Program's support for the project is critical to its success. We hope the advisory committee will look upon the grant modification proposal favorably.

Sincerely,
BOARD OF COUNTY COMMISSIONERS


Michele Landquist, Chair


Bill Carey, Commissioner

NOT AVAILABLE FOR SIGNATURE
Jean Curtiss, Commissioner

BCC/ppr
cc: Peter Nielsen, Environmental Health
Pat O'Herren, CAPS Director

**RECEIVED**301 W. Alder
Missoula MT 59802

JUN 13 2013

NATURAL RESOURCE
DAMAGE PROGRAM

To: Members of the UCFRB Remediation and Restoration Advisory Council

From: Milltown Redevelopment Working Group

Date: May 25, 2013

Subject: Milltown Park Grant Modification Proposal

RECEIVED MAY 31 2013

Thank you for coming over and touring the Milltown State Park site and listening to, seeing and experiencing some of our challenges with development.

The Milltown Redevelopment Working Group and FWP have been working for many years to overcome obstacles in developing this area for public use again. It has historically been a very popular site for river access and we are devoted to seeing it be better than ever! River recreation has been and will continue be very popular on the Blackfoot and Clark Fork rivers. Each year it increases.

Since the confluence area and lower Blackfoot have been closed to access, the public has been using areas that really impact public safety and property rights of our community's private land owners. There is a tremendous amount of pressure to develop the Park, restore safe river access and mitigate impacts upon landowners.

We have hit a speed bump in the development with regard to the access points and would really appreciate your help by allowing FWP the freedom to change the scope of The Milltown State Park grant funding to explore and possibly redesign different options for permanent access to the Confluence area, the Gateway and State property across from the old weigh station. We also support the release of grant funds that will allow FWP to begin developing limited Park infrastructure such as vault toilets, trails, signage and grading prior to the establishment of permanent access to that area.

These changes do not entail a budget change; they do involve a substantive change of scope to the grant project as amended in 2012 regarding access points and timing of development of features with respect to establishment of permanent access.

Once again thank you for coming over to tour the site and thank you for the work you are doing for our rivers and the state of Montana.

Sincerely

Milltown Redevelopment Working Group

THE CONFLUENCE PROJECT AT ROCK CREEK

Five Valleys Land Trust

Submitted By:

Five Valleys Land Trust
Grant Kier, Executive Director
P.O. Box 8953, Missoula, MT 59807
(406) 549-0755, grant@fvlt.org

Project Purpose and Benefits:

The purpose of this abstract is to propose \$400,000 in NRDP funding for acquisition of the 201-acre LEMB Co, LLC property at the confluence of Rock Creek and the Upper Clark Fork River by Five Valleys Land Trust (Five Valleys). The property includes riparian habitat along both rivers and upland integral to the wildlife value of the riparian corridors and adjacent protected public and private land; it is also the site of a proposed 37-lot subdivision. The primary goal of the proposed acquisition is to protect for future generations the wild character and ecological function of high-priority riparian and associated natural habitats at this iconic location in the Upper Clark Fork River Basin (UCFRB).

Potential project benefits include:

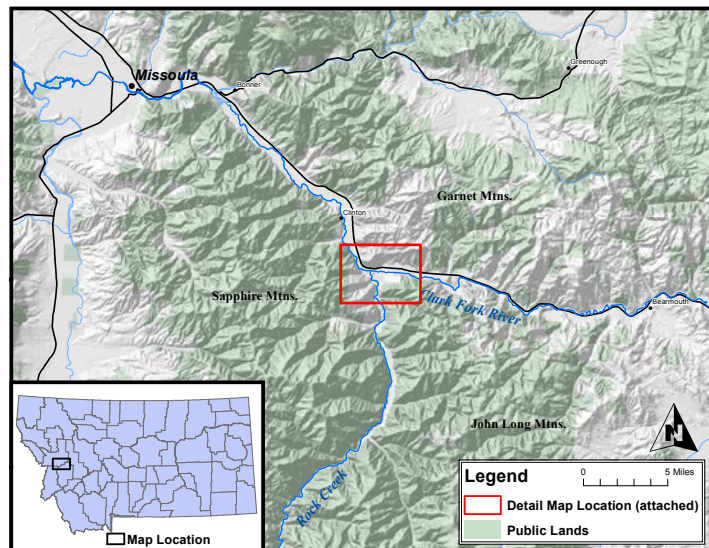
- Habitat improvement and permanent protection for 25 acres of riparian habitat (NRDP Terrestrial Restoration Priority 1) along nearly 1.5 miles of the Upper Clark Fork River below Deer Lodge (a NRDP Priority 2 stream reach).
- Habitat improvement and permanent protection for upland habitats critical for riparian function, including 50 non-riparian acres within the 100-year Clark Fork River floodplain, and over 125 acres of adjacent grassland and conifer forest habitats that buffer and support riparian corridors.

Project Location:

Refer to regional map (at right) and property aerial photo (attached). The Confluence Project area is located southeast of Clinton, at the point where the Sapphire, Garnet, and John Long Mountains come together. The LEMB Co. property is just east of Rock Creek and south of the Clark Fork River, and includes frontage to both.

Project Description:

The LEMB Co property includes extensive cottonwood galleries and mature ponderosa savannah forest within the intact Clark Fork River floodplain, offering habitat for a variety of raptors, passerine



birds, wild turkey and ruffed grouse. Local and landscape-level habitat connectivity afforded by the property serves a variety of species including elk, mule deer, white-tailed deer, black and grizzly bear, moose, bighorn sheep, and many non-game species which utilize the property's riparian corridors and upland buffers to move between large blocks of protected habitat. Rock Creek and the Clark Fork River at the property's west and north borders host wild rainbow and brown trout, as well as important populations of dwindling native fish species such as bull trout and cutthroat trout.

Five Valleys Land Trust is the lead entity for the property acquisition, and will ensure that once purchased the property is permanently protected. Five Valleys is partnering with Trout Unlimited and the Clark Fork Coalition, who would take the lead on post-acquisition habitat enhancement activities. All three partners will collaborate on developing a blueprint for future management of the site. Five Valleys will insure that access to the Clark Fork River is enhanced and managed to protect wildlife resources; the US Forest Service, BLM, and Montana Fish, Wildlife & Parks, may be future partners. Five Valleys has recently secured a purchase agreement on the LEMB Co, LLC property, and is conducting due diligence actions. Five Valleys plans to acquire the property by December, 2012, contingent on sufficient funding.

The proposed acquisition would permanently protect high-priority riparian and associated upland habitats along the Clark Fork River mainstem, enhance wildlife habitat and leverage prior and ongoing conservation efforts on nearby properties for maximum wildlife benefit, and provide opportunities to improve recreational access. Project strategies in support of these objectives are listed below.

Objective 1: Permanently protect important habitat on the 201-acre LEMB Co property at the confluence of Rock Creek and the Clark Fork River.

Strategies:

- a. Establish fair market value, obtain purchase option, and conduct due diligence for the 201-acre LEMB Co, LLC property at the confluence of Rock Creek and the Clark Fork River.
- b. Acquire the LEMB Co, LLC property at or below appraised fair market value, utilizing a five-year low-interest loan.
- c. Secure project funding to repay loan.

Objective 2: Enhance wildlife habitat on and near LEMB Co property.

Strategies:

- a. Restore and re-establish vegetation on recent habitat disturbances, including a gravel berm along Rock Creek Road, and a constructed eight-acre pond.
- b. Convert a portion of LEMB Co water rights to in-stream flow.
- c. Support permanent conservation on adjoining private lands through conservation easements (beginning with a pending 572-acre conservation easement west of and adjacent to the LEMB Co, LLC property).

Objective 3: Enhance recreational access.

Strategies:

- a. Work with project partners to develop access/recreation management plan for LEMB Co property.
- b. Establish appropriate public access for passive recreation, including on-site fishing access to the Clark Fork River and possible access to nearby hiking trails.
- c. Continue to work with adjacent landowners and project partners to manage, protect, and educate the public about the conservation values in the confluence area.

Anticipated project outcomes are consistent with the terrestrial criteria identified and prioritized in the Final UCFRB Interim Restoration Process Plan (the Process Plan) and the 2011 Terrestrial Prioritization Plan. For example:

1. The proposed acquisition will protect at least 25 acres of NRDP Terrestrial Restoration Priority 1 riparian habitat, and nearly 1.5 miles of riparian corridor along the Clark Fork River. The proposed acquisition will also protect 175 acres of native grasslands, cottonwood galleries, conifer forests and floodplain that buffer and enhance the prioritized riparian corridors.
2. The conservation value of the LEMB Co, LLC property is enhanced by its proximity to extensive acreage of US Forest Service and BLM land and over 300 acres of private land permanently protected with conservation easements.
3. The proposed project will result in protection of three habitats targeted by the 2011 Terrestrial Prioritization Plan (riparian, grassland, and conifer forest).
4. The proposed project will allow conversion of water rights of up to 10 cfs to in-stream flow delivered to the Clark Fork River at the mouth of Rock Creek. Conversion of water rights on the LEMB Co property could have valuable in-stream habitat benefits, and fits the NRDP fisheries restoration goal of flow augmentation to the mainstem Clark Fork River below Deer Lodge.
5. The proposed project will result in improved recreation access to the Clark Fork River and US Forest Service lands near the confluence. Project partners will ensure that enhanced access does not negatively impact protected wildlife resources or compromise restoration and enhancement efforts on the LEMB Co property or the Clark Fork River. Acquisition of the property would protect important wildlife habitat at the iconic gateway of western Montana's most famous recreation corridor.
6. The proposed project will facilitate regular monitoring on the LEMB Co property to evaluate effectiveness of habitat restoration and enhancement efforts.
7. The proposed project will provide an important buffer of natural habitat along the Clark Fork River mainstem, reducing encroachment of houses, agricultural fields, and livestock grazing.
8. The proposed project will insure permanent protection for the LEMB Co property while engaging in habitat enhancement activities that should provide wildlife and recreation replacement.
9. The proposed project will serve to maintain habitat connectivity between Rock Creek and the Clark Fork mainstem.
10. The proposed project will facilitate passive regeneration of native riparian vegetation including cottonwood trees, aspen, and willows in the Clark Fork River floodplain, and active restoration where passive regeneration of vegetation is impractical.

Project Schedule:

Table 1. Project Timeline	
<i>Action</i>	<i>Scheduled Completion Date</i>
Establish fair market value for LEMB Co LLC property	Complete
Acquire purchase option	Complete
Conduct due diligence for property acquisition	Complete
Secure project funding	Ongoing
Acquire LEMB Co LLC property	December, 2012
Habitat restoration and enhancement activities	2013-2014
Convert LEMB Co water rights to in-stream use	2013
Establish managed public access	2014
Project monitoring	2013 -->

General Cost Information:

Estimated NRD funds required to achieve project objectives: \$400,000. The total anticipated project costs for property acquisition are just less than \$2,000,000. Cost breakdown is shown in Table 2 below.

Acquisition Costs assuming 5 year ownership		
<i>Expense</i>	<i>Amount</i>	<i>% Phase I</i>
LEMB Co Property acquisition	\$1,600,000	80%
Bridge Loan (5-year @ 3%)	\$185,000	9%
Project Staff & Overhead (5-years)	\$150,000	8%
Legal fees	\$30,000	2%
Environmental Hazard Assessment	\$3,000	0%
Ecological baseline assessment	\$2,000	0%
Title Insurance	\$9,000	0%
Closing, Escrow, Recording fees	\$1,000	0%
Long-term stewardship endowment	\$15,000	1%
Total Expenses	\$1,995,000	100.0%

** Only costs/funding for acquisition of the LEMB Co property are shown here. Costs/funding for habitat and access enhancement projects cannot be fully developed until acquisition is complete. NRD funds requested here are for acquisition only.*

Five Valleys and project partners are requesting \$400,000 in NRD funds to complete the acquisition phase of the Confluence Project. NRD funding will be leveraged with \$1,600,000 of matching/cooperator contributions toward the acquisition costs. Five Valleys Land Trust will contribute \$900,000, anticipated from private partners and bridged through a low-interest loan from the Resources Legacy Fund or similar entity. Five Valleys will also leverage \$300,000 from the Rock Creek Trust, and intends to request an additional \$300,000 from the Missoula County Open Space Fund. In total, Five Valleys will leverage 80% of the total necessary funds to match the 20% requested from the NRD.

Table 3. Project Funding (Phase 1)		
<i>Funding Source</i>	<i>Amount</i>	<i>% Total</i>
Natural Resource Damage Program	\$400,000	15.8%
MT Fish & Wildlife Conservation Trust	\$100,000	5.3%
Missoula County Open Lands	\$300,000	15.8%
Five Valleys Land Trust Rock Creek Trust	\$300,000	15.8%
Five Valleys Land Trust (General fundraising/5-year loan)	\$895,000	47.4%
Total Project Funds	\$1,995,000	100.0%

Property Aerial Photo Map

