

MEMORANDUM

TO: Members of the UCFRB Remediation and Restoration Advisory Council

FROM: Carol Fox and Kathy Coleman, NRDP

DATE: September 11, 2013

SUBJECT: September 18, 2013 Council Meeting

The Advisory Council will meet **Wednesday, September 18, 2013** at the Elk's Lodge in Deer Lodge. Attached are the agenda and backup meeting materials, along with the draft meeting summary for your last meeting in June. Below is a summary of the major agenda items.

Confluence Acquisition Project – Action Item

At your June 19, 2013 meeting, staff of the Five Valleys Land Trust (FVLT) and NRDP summarized this proposed acquisition project that involves 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. Attached is the NRDP's funding recommendation document, which was the subject of a 30-day public comment period from May 27 through June 26, 2013. The NRDP received 20 comment letters on this project, with 19 letters in support and one letter in opposition. Attached is a copy of the NRDP's draft response to comments document, which includes copies of the public comment letters as an Appendix. The NRDP recommends the project be funded for \$400,000, subject to the specified funding conditions.

At your September 18th meeting, FVLT and NRDP staff will provide project updates. Following consideration of public comment, the Council will vote on its funding recommendation to the Trustee Restoration Council and Governor for this project.

Drummond Acquisition Project – Briefing Item

The Drummond Kiwanis Club submitted an abstract requesting funding for an acquisition of a 38-acre parcel located next to the Clark Fork River near Drummond and the development of recreational trails and other public access features. The NRDP is recommending \$85,300 be used to fund this property acquisition (\$50,000) and development of recreational access features (\$35,300), with project costs to be split 50/50 between the Aquatic Priority Account and Terrestrial Priority Account, subject to the specified funding conditions, which will be detailed at the meeting. This funding recommendation will be issued for public comment on Thursday, September 12, 2013 and end on Friday, October 11, 2013.

This is an informational item. The Council will decide on its funding recommendation for this project at its October 16, 2013 meeting. The NRDP will provide the Council with copies of public

comments received following conclusion of the public comment period on Friday, October 13, 2013.

Fiscal Year End 2013 Report: Attached is the fiscal year end (FYE) 2013 Restoration Fund report. It covers both project and fiscal status. The new accounting system for the three resource priority accounts started at the beginning of fiscal year 2013 (FY13) on July 1, 2013. Associated with the Governor's approval of the *2012 Final UCFRB Aquatic and Terrestrial Resources Restoration Plans*, the NRDP also created new accounts starting in January 2013 to track restoration projects included in those plans. At your September 18, 2013 meeting, Kathy Coleman will provide further background and answer questions on the attached fiscal report. I will follow with a summary on the status of past grant restoration projects and new projects covered by the 2012 Final Restorations Plans.

UPPER CLARK FORK RIVER BASIN REMEDATION AND RESTORATION ADVISORY COUNCIL

Wednesday, September 18, 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/>.

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|-------------|---|
| 1:00 – 1:10 | Introductions and Administrative Items <ul style="list-style-type: none">• Past meeting summary – Action Item |
| 1:10 – 1:50 | Confluence Acquisition Project – Action Item <ul style="list-style-type: none">• Public Comment Summary and Updates – Greg Mullen, NRDP• Input from Project Sponsor – Lewis Kogan, FVLT• Public Comment• Advisory Council deliberations and vote |
| 1:50 – 2:20 | Drummond Kiwanis Acquisition Project – Informational Item <ul style="list-style-type: none">• Overview of NRDP funding recommendation – Kathy Coleman, NRDP• Input from Project Sponsor – Chuck Johnson, Drummond Kiwanis• Public Comment |
| 2:20 – 3:00 | Program Updates <ul style="list-style-type: none">• Fund Status Reports – Kathy Coleman, NRDP• Projects Status Report – Carol Fox, NRDP• Questions and input from AC and public |
| 3:00 – 3:15 | <ul style="list-style-type: none">• Additional Public Comment• Next Meeting Logistics• Announcements/Wrap-up |

June 19, 2013 Advisory Council Draft Meeting Summary
Held from 11:00 to 12:30 p.m. at the Elk's Lodge in Deer Lodge

Council members present: Maureen Connor, Kay Eccleston, Jon Krutar, Eric Mason, Mike McLean, Roy O'Connor, Mick Ringsak, Bill Rossbach, Trevor Selch (replacement for Jim Darling), Laurence Siroky, and Larry Scusa (replacement for Katie Garcin).

Council members absent: Mike McLean, Mary Price, Jim Darling, and Katie Garcin

Administrative Items: The Council approved the 5/22/2013 draft meeting summary. Carol briefed members about the upcoming Trustee Restoration Council meeting on Monday 6/24/13.

2005 Big Butte Acquisition Grant Project Modification Proposal – Action Item

Julia Crain of Butte-Silver Bow summarized the proposed modification. Kathy Coleman summarized the two public comments received and the NRDP's responses to those comments. Kathy explained why the NRDP supports the modification. It will protect the large investment already made in the project. Butte-Silver will contribute 80% of the estimated annual operation and maintenance costs.

Following is a summary of the questions asked, with responses indicated with a "R."

- Is it correct that at the time this project was approved, the funding for operation and maintenance costs was not allowed? R: Such funding was allowed but discouraged. There were a few projects funded in a limited way for operation and maintenance activities in the early years of the grants program, including projects funded at the same time, such as the Duhamé project. In recent years, such requests have become more common and been approved for funding to a greater extent.
- Is it correct that this proposal just involves a transfer of funds and not a budget increase? R: Yes.
- How does the funding percentage for operation and maintenance (O&M) on this project compare with other NRD projects? Is it within the norm? R: Under this modification, it would be 8%. For the 2009 Milltown State Park grant, O&M was about \$650,000 of \$2.6 million, or 25%. While we don't have the O&M budgets readily available for other projects, the 8% is lower than some other projects and appears to be within the norm.
- How will you address the concern raised in the comment letter that BSB will use the money for something else? R: We have safeguards in a contracting process that prevent this. If approved, the grant contract would be amended to specify what can be covered by the remaining funds. Costs are subject to reimbursement that is dependent on adequate documentation. This reimbursement/documentation approach is the same for all projects. We have communicated this to BSB.

- To Julia: Is B-SB cognizant of these requirements and willing to commit to them? R: Absolutely. We have communicated with Kathy Coleman about this. We understand and accept our responsibilities. We will be good stewards of the site.
- So the NRDP will be able to readily track funds? R: Yes. Not only will documentation be needed for NRD funds, but it will also be needed for B-SB's 80% matching funds. This match was influential in our support of this modification.
- What is the situation regarding the Greenway bathrooms mentioned in the comment letter? R: Openings are weather dependent and tied to summer personnel. They are now open 24/7. The Greenway is looking into whether the Rocker Station can remain open year-round.
- How would the cost-share work if less than the \$70,000 is remaining? R: NRD's contribution would stay at 20% of the total O&M budget. So if only \$50,000 is remaining, then not as many years of O&M will be funded.
- Are these standard NRD requirements regarding documentation/match such that we do not need to include them in our funding recommendation language? R: Yes. These are standard requirements reflected in the contracts for all grant projects.

Public Comment: None

Council Action: Kay Eccleston made a motion to approve the proposed modification to the Big Butte grant. Jim Kambich seconded the motion. The motion passed unanimously.

2009 Milltown State Park Grant Project Modification Proposal – Action Item

Mike Kustudia and Chas Van Genderen of Montana Fish, Wildlife and Parks (FWP) summarized and answered questions about this proposed modification. Doug Martin summarized the four comment letters in support of the modification and reiterated the NRDP's support for it. Following is a summary of the questions and responses (indicated with "R") and comments made on this modification.

- Explain the change regarding an International Paper (IP) donation of the land vs. acquisition of the easement. R: IP made its donation of the property contingent on FWP not doing further investigation of the closed landfill and taking on any future liability for it. Our next step is to consider an option of purchasing an access road easement.
- Is the \$50,000 an estimate? R: Yes, it is an estimate based on other easement costs. The actual price would be determined by an appraisal.
- Maureen Connor thanked FWP for the supplemental information provided as follow up to the May AC meeting.

- With the approved budget of about \$900,000 for access features, can you use both the Juniper Dr. and the IP access options? R: Yes, we could do both. Having both options gives us needed leverage for negotiations with IP. The modification gives us expanded options.
- Have you discussed the use of the underpass with MRL? R: Yes. We have had preliminary discussions with MRL. At this time, there is no easement for pedestrian access and emergency service vehicles, but MRL is willing to pursue it further. They understand the importance of it.
- Do the neighbors have a preference of the IP vs. Juniper Dr. access options? R: They are okay with either; they want resolution of the bad situation that exists now.
- Have you discussed a possible option with Montana Department of Transportation (MDT) of an access point off the interstate? R: No, not yet. MDT is engaged in addressing the problem with the piers. Perhaps this may be a future option associated with moving those piers.
- Does MRL own the railroad bridge/line? R: No. MRL leases it from BN. Typically, if MRL is okay with it, BN follows suit. We need to start with MRL first.
- Bill Rossbach commented about the importance of having a river access site near and downstream of the Confluence. Bill noted that inexperienced boaters floating on the Clark Fork River from Turah are not going to be able to ferry upstream on the Blackfoot. He wants to see FWP plan for maximum river use. He commented about the importance of the site to him personally, noting that he had been working on it for over 30 years. R: We discussed this issue at our last staff meeting and will discuss it further. We need to manage the Park for the lowest common denominator.

Public Comment: None

Council Action: Mick Ringsak made a motion to recommend approval of the modification. Maureen Connor seconded the motion. The motion carried unanimously.

Confluence Project – Informational Item

Carol Fox indicated that the NRDP is close to completion of its evaluation of the Confluence land acquisition project, which was included in the final restoration plans as a project to be considered for further review and a subsequent funding decision. After the 30-day public comment period on the staff evaluation and funding recommendation, the Council will decide on its funding recommendation to carry forward to the Trustee Restoration Council and Governor.

Lewis Kogan of the Five Valleys Land Trust (FVLT), the entity sponsoring the project, gave an overview presentation on and answered questions about it. Following is a summary of the questions and responses (indicated with “R”) and comments made on this modification.

- Will the property be for day use only? R: Yes

- Who owns the 2.5 mile stretch along the Clark Fork River to the north of the property? R: FVLT now owns this land; closing occurred last Friday. FVLT acquired this property to provide river access. FVLT still needs to work out an arrangement with MRL regarding use of portion of this property north of the river.
- Who owns the properties to the south of the property upstream on Rock Creek? R: Don King owns one 600 acre parcel that he has informally agreed to put under a conservation easement. The Madsens own the other property, which is already under easement.
- What about long-term ownership? R: It is FVLT's intention to own and manage it the long-term, but if transferred, it would go to a state or federal government entity or, in the worst case, to a private entity with a conservation easement to maintain resource protection values. FVLT recognizes the need for reconciliation of the purchase price with NRDP under this easement scenario.
- Bill Rossbach requested that maps showing neighboring properties and easements be provided. He understands that the property is a "keystone" in terms of tying together protections on other lands, thus increasing its value. Greg Mullen indicated such maps would be included in the NRDP's funding evaluation document.
- What does the pond reclamation entail? R: FVLT will remove the berm and fill in the pond to the extent possible and try to make it into some type of seasonal wetland, without any standing water. Trout Unlimited and the Clark Fork Coalition are developing the restoration plans.
- Roy O'Connor commented that it was amazing how the community came together to oppose the proposed subdivision on this parcel. He credited the FVLT for taking the lead in its protection. It is important for this critical area to be protected. Rock Creek flows greatly improve the water quality of the Clark Fork River downstream.
- Did FVLT acquire the water rights and, if so, does FVLT intend to pursue a change in use to instream flow? R: We acquired the water rights. The Clark Fork Coalition is assisting us with a water rights investigation that will help determine whether to pursue a change of use.
- The public access provided to USFS lands via the eastern parcel is a big benefit. How would this be access picture be affected by a land transfer? R: FVLT intends to have easements or other agreements in place to make sure this access is continued if the ownership changes. FLVT understands this would be a requirement of funding from NRDP and Missoula County.

NRDP Input: Greg Mullen indicated the NRDP expects to have a favorable funding recommendation, but needs to complete its legal review of the project. The project involves a 80/20 terrestrial/aquatic funding split. He listed the funding conditions the NRDP expects to recommend that include: providing/maintaining the depicted public access; reaching agreement with FVLT on a management agreement that sets out land protection and public access provisions; and assuring the

property has a free and clear title, including release of all liens and lender subordination to rights of the State. He reviewed the timing and next steps leading to the Governor's final decision. Most likely the Advisory Council will consider public comment and make its recommendation at an August or September meeting.

- Does the State's review consider the water rights? R: Yes.
- Bill Rossbach requested that the NRDP's funding evaluation address the concerns raised and assurances sought by Maureen Connor in the case of property transfer. R: Our evaluation will address these issues.

Carol asked about Council members' interest in touring the Confluence site before the August meeting. Members did not express an interest since the site can be easily visited on their own and some have already done so.

Next Meeting: Will be timed to follow after conclusion of the public comment period on the Confluence project.

Clark Fork River Tour: Following the meeting, Council members and staff toured the Phase 1 integrated remediation and restoration work being conducted near Galen.

**NRDP Funding Recommendation
The Confluence Project at Rock Creek
June 2013**

Background and Project Summary

In June 2012, Five Valleys Land Trust (FVLT) submitted a restoration concept abstract (Attachment A) for partial funding of \$400,000 from the Natural Resource Damage Program (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*"). A map depicting the Property and surrounding area is provided in Attachment B. 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 project is being considered for funding as a proposed restoration action for both the Clark Fork Mainstem aquatic priority area and terrestrial priority landscape area, with an 80%/20% terrestrial/aquatic funding split.¹ As indicated in the *Final Restoration Plans*:²

- Funding of individual projects within aquatic priority areas and terrestrial priority landscapes will be based on cost-effectiveness and cost:benefit, rather than on concept proposal estimates; and
- Each project involving property and/or water rights acquisitions will require a subsequent approval of the proposed transaction, once fully developed in accordance with the plans, by the Trustee following consideration of input from the public, Advisory Council, and Trustee Restoration Council.

This document provides the NRDP's funding evaluation and recommendation that will be the subject of a 30-day public comment period that will begin on Thursday, June 27, 2013 and end on Friday, July 26, 2013. The two indicated councils will consider the NRDP's recommendation and public comment in making their funding recommendation to the Governor, who will make the final funding decision.

FVLT secured funding for this acquisition from a combination of donations, grant funds, and loans and purchased the Property in December 2012 for \$1.6 million to preclude a sale of the Property for residential development. Funding already secured for this Property totals \$725,000, and comes primarily from three entities: 1) Missoula County Open Space Bond (\$400,000); 2) Cotswold Foundation (\$150,000); and 3) Montana Fish and Wildlife Conservation Trust (\$100,000). FVLT secured a loan of \$875,000 from the Resources Legacy Fund in late 2012, which was used, along with the other funding listed above, to purchase the Property. A credit

¹ See pages 3-20, 4-39, and Table 6-1 of the *Final Restoration Plans*.

² See page 6-2 of the *Final Restoration Plans*.

agreement and mortgage for the loan sets out a repayment schedule to mid-2015 and provides other provisions to secure repayment of the Resources Legacy Fund loan. If this project is approved, the \$400,000 that FVLT receives from the NRD Restoration Fund will be used to pay down the loan.

It has been the policy of the State and NRDP, in funding real property acquisitions, that the property be paid for in full and that, upon closing, title to the property be free and clear of all monetary liens (both recorded and unrecorded liens) and that no NRD funding occur unless that is the case. While the NRDP would prefer to escrow the \$400,000 payment until all of the Resources Legacy Fund loan can be paid off, if the Governor approves NRD funding for this project, the NRDP would draft transaction steps, to be set forth in a subsequent funding agreement between the FVLT, NRDP and Resources Legacy Fund, that would adhere to this policy as closely as possible. It is the staff's understanding that Resources Legacy Fund has agreed that it will release the mortgage and otherwise subordinate its claim of an interest in the Property upon closing with receipt of \$400,000 in NRDP funds and an additional \$100,000 from FVLT. At that time the remaining \$375,000 of Resources Legacy Fund's loan will be unsecured, thus reducing the possibility the Property could be foreclosed upon.

The FVLT intends to own the Property at least as long as is necessary to fulfill the objectives stated in a December 2012 Management Agreement (Attachment C) between Missoula County and FVLT, and also meet the terms of the subsequently developed funding and management agreements with the NRDP. The agreement with Missoula County contains a list of management guidelines tied to these natural resource protection and public recreational access purposes. It allows for termination if FVLT transfers property ownership to a public agency or other appropriate conservation entity, and/or encumbers the Property with a conservation easement that insures the perpetual adherence to the guidelines and restrictions contained in the Management Agreement.

NRDP Funding Recommendation Summary

The NRDP recommends the project for the requested funding of \$400,000 subject to the following funding conditions.

- 1) That a funding agreement between the State, FVLT, and Resources Legacy Fund be completed that assures title to the Property be free and clear of all monetary liens (both recorded and unrecorded) and that any rights of Resources Legacy Fund are subordinated to the rights of the State in the Property. This Agreement shall also provide that, should future ownership involve private ownership with a conservation easement, FVLT would reimburse the State its 25% proportionate share for fee-title acquisition based on reconciliation of the difference in purchase price for fee vs. easement acquisition and also provide the State with a third party right of enforcement in the easement agreement.
- 2) That a management agreement between NRDP and FVLT that sets out land protection and access procedures will be completed. Among other things, this agreement will provide for public access to the entire Property as described in this evaluation and depicted on the access map (Attachment D) during the term of its ownership and insure such access is maintained

under subsequent ownership scenarios or otherwise reimburse the State for its proportionate share of the investment.

- 3) That the funding and management agreements are recorded at closing.
- 4) That a final survey of property boundaries be completed.

If the Governor approves the project funding, these conditions in the above-described agreements would be finalized prior to transmittal of funds. The NRDP and FVLT have discussed these conditions at meetings and in subsequent follow up communications. FVLT has indicated general acceptance of these funding conditions; however, FVLT must also obtain approval of its Board for the funding agreement. The planned schedule for completion of the funding agreement is by the end of 2013, although the Parties will make a good faith effort to complete the fund and management agreements before then.

Land Acquisition Due Diligence Summary

With the exception of a survey and further due diligence needed with respect to the Resources Legacy Fund lien, both of which are addressed in the NRDP's funding conditions, FVLT has completed all the needed land transaction due diligence required by the NRDP. These include an appraisal, environmental property assessment, mineral and water right evaluations, the warranty deed, and the title insurance commitment/guarantee. The NRDP has found all these land transaction documents to be acceptable, although the deed and title insurance exceptions may need to be amended at closing to account for the release of the Resources Legacy Fund liens on the Property and assure that no additional encumbrances have been or will be placed upon the title to the Property.

A summary appraisal report of the Property concluded a fair market value of \$1,650,000 for 201.8 acres, or \$8,176/acre. An appraisal update to this report completed in November 2012 concluded there was no change in value since the 2011 appraisal.

FVLT owns the mineral rights on the western portion of the Property, but the mineral rights are severed from the land for the 40 acre eastern parcel. A geological assessment of the mineral development potential of that parcel, completed on December 16, 2012, concluded that the risk of any commercial mineral development on the Property to be negligible.

Through its December 2012 land transaction, FVLT obtained ownership of the three water rights associated with this Property:³

- 1) a surface water right on Rock Creek of 15 cfs for irrigation, stock watering, and fishery purposes (indicated as fish pond) that has a priority date of May 4, 1906;
- 2) a surface water right on the Clark Fork River of 300 gpm for irrigation purposes with a priority date of June 1, 1943; and

³ The DNRC claim number for these water rights are 76E 4890 00, 76E 52136 00, and 76G 4889 00; FVLT is the owner of record for these water rights as of December 19, 2012.

- 3) a groundwater right of 20 gpm for irrigation, stock watering, and domestic use purposes associated with a 60' on-site well that has a priority date of June 10, 1983.

Project Evaluation

Public Access: This acquisition is expected to provide permanent public access to the entire Property, under management guidelines designed to protect the Property's natural resources. NRDP and FVLT have had considerable discussions about public access on the Property and what is envisioned to accommodate public access. Concern by Fish, Wildlife and Parks (FWP) biologists about protecting Rock Creek from extensive fishing pressure and concerns about disturbance to the nearby eagles' nest are also being considered as part of NRDP's and FWP's project evaluation. The following points characterize the public access considerations that have resulted from these discussions with FVLT and FWP and are depicted in Attachment D.

- ✓ Public access is an important part of this project.
- ✓ The NRDP, FVLT, and other project partners agree that such access should occur in a way that would not significantly harm natural resources and accommodates successful restoration and adaptive management of these resources.
- ✓ Damage to the Property's natural resources can be minimized by requesting that the public remain on designated trails and by managing the number of available parking spaces.
- ✓ At a minimum, the public will be able to access the Property from two proposed small public parking areas on the Property that are depicted in Attachment D.⁴ The areas will have a capacity of up to five vehicles each. FVLT has already constructed the parking area on the parcel east of the Rock Creek Road. The timing of the construction for the parking area on the west of the road will depend on site restoration activities and further agreement among the parties.
- ✓ At a minimum, the Property will include two designated trails, one on the east side of the Property that provides public access to the Clark Fork River and USFS lands, and one on the west side of the Property that contours near the restored pond area and provides public access to Rock Creek.
- ✓ Management may allow for temporary closure of trails to protect sensitive natural resources (e.g., nesting bald eagles) or for public safety (e.g., during heavy equipment earthmoving); this issue would be finalized as a part of the NRDP/FVLT funding agreement.

⁴ While two commercial establishments about ½ mile south of the project areas have informally allowed the patrons to park there and then access Rock Creek, whether or not such permissive parking would continue in the future is uncertain.

- ✓ Public hunting on the Property could also be allowed if it was consistent with public safety concerns and the State's wildlife management goals.

Costs:Benefit Relationship: FVLT's abstract (Attachment A) and FWP's resource evaluation (Attachment E) both describe the natural resource and public recreational benefits of this project. FVLT's goal is to assure perpetual conservation for this area, which provides public access to the Clark Fork River, Rock Creek, and 202 acres of riparian and upland lands adjacent to the two rivers. The parcel contains approximately 75 acres of riparian lands, which are designated in the December 2011 *Final UCFRB Terrestrial Prioritization Plan* as Priority 1 lands for habitat protection and enhancement. Numerous wildlife species have been observed on or near the site, including raptors such as bald eagles, song birds, white-tailed deer, and elk (Attachment E). The fisheries section of the FWP's resource evaluation notes that both Rock Creek and the Clark Fork River systems provide important migratory habitat for bull trout and westslope cutthroat trout species, with the confluence being an important feature for migrating and staging of adult native fish.

FVLT will prepare a restoration plan for the parcel, in coordination with other resource entities and organizations, which include Trout Unlimited, FWP, Clark Fork Coalition, University of Montana, Missoula College, and some area land owners. This restoration plan, which must be consistent with the agreed upon management plans, is expected to include land improvements, such as removing fencing and debris, reclaiming the existing pond, grading the site, and improving native vegetation, which will involve extensive initial weed control measures and on-going weed management. These enhancements to on-site riparian, wetland, grassland, and forest areas will improve wildlife habitat and benefit wildlife resources. The restoration planning efforts will also include an assessment of whether the irrigation ditch on the Property causes a fish entrainment problem and, if so, identification of potential solutions to that problem.

As part of its restoration planning process, FVLT will evaluate how best the Property's water rights can be used to the benefit of natural resources as part of its restoration planning effort, including evaluation of the potential benefits of converting the surface water rights to an instream flow purpose. FVLT's ownership of these water rights, to the extent they are not utilized consumptively, allows for more clean, cold water from Rock Creek to reach the Clark Fork River and help dilute metals since water previously diverted can now be left instream. Whether or not it would be worthwhile to pursue the Department of Natural Resources and Conservation (DNRC) change of use process to gain an instream flow right remains to be determined.

The project also offers natural resource educational opportunities and benefits. FVLT plans to use the Property for the purpose of providing conservation education for the public, public schools, and the university system.

Other properties adjacent to the Confluence parcel (depicted in Attachment B) have existing conservation easements on approximately 300 acres. Easements on another 572 acres that are proposed for completion by 2013 will further protect the area's natural resources. In June 2013, FVLT acquired ownership of an 83 acre parcel bordering the Confluence Property immediately to the north. This property, which is expected to add another half mile of access to the Clark

Fork River, is labeled *River Corridor Acquisition* on the map in Attachment B. The availability of this area for public use will be determined through subsequent negotiations between FVLT and the Burlington Northern/Montana Rail Link, which holds a one-half interest in part of the property. Access to the USFS lands at the south-eastern end of the Property offers a substantial benefit since these lands have only been accessible to the public from other access points located over 16 miles away.

Available and planned public recreational use on or from the Property includes hiking, birding, fishing on both the Clark Fork River and Rock Creek, and access for floating. Attachment E further details the significant river recreational access benefits this acquisition offers. The nearest public river access points are 15 miles upstream and five miles downstream. It is expected that public use will be substantial since this area is only 20 miles from Missoula and can be utilized via the public from a major interstate highway.

Given these substantial natural resource and recreational benefits the project offers and that 75% of the acquisition was or is to be purchased with other funds besides UCFRB Restoration Funds, the NRDP considers the project to have a favorable cost:benefit relationship.

Cost-Effectiveness: The *Final Restoration Plans* indicate that the NRDP will use a cost-effectiveness evaluation to judge whether a project accomplishes its goals in the least costly way possible, or if there is a better alternative. In its abstract (Attachment A), FVLT adequately justifies the reasons for and benefits of the conservation trust's fee-title acquisition of the Property. FVLT states that "the primary goal of the 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 UCFRB." FVLT's commitment to this goal is reflected in its Management Agreement with Missoula County (Attachment C), which sets forth the management goals and objectives to permanently protect this Property from development and to provide for public access. FVLT has indicated that if the State commits to providing partial payment of \$400,000 for this Property, they will also enter into a management agreement with NRDP. The NRDP believes with this intended management agreement, and with the approach for managed public access described herein, this acquisition will cost-effectively accomplish the project goals.

Public Support: FVLT indicates that the public support for FVLT to purchase the Confluence project from the private landowner who planned to develop the area into 37 residential lots was extensive.⁵ A petition to stop the proposed subdivision was circulated and garnered approximately 3,600 signatures before it was submitted to the Missoula County Commissioners around 2008.

During the public comment period on the September 2012 *Draft Aquatic and Terrestrial Resources Restoration Plans*, the NRDP received three comment letters in support of this project and its inclusion in the *Final Restoration Plans*. Those letters were from representatives of Trout Unlimited, the Clark Fork Coalition, and FVLT. Positive aspects noted in these comments include the project's great value because of its location and benefits to both terrestrial and

⁵ Information provided by Lewis Kogan of FVLT to Greg Mullen of NRDP in a 6/6/2013 e-mail.

important aquatic resources, and its substantial matching funds and numerous contributing partners.

Following the conclusion of a 30-day public comment period on this document, the NRDP will provide the public comment and the NRDP's draft response to public comment document to the Advisory Council and Trustee Restoration Council before these councils determine their funding recommendations on this project.

Conclusion: NRDP recommends that \$400,000 from the UCFRB Restoration Fund be used to partially fund FVLT for the 202 acre Confluence Property, with \$320,000 (80%) from the Terrestrial Priority Account and \$80,000 (20%) from the Aquatic Priority Account. While the specifics and timing of funding and management agreements remain to be determined, the NRDP believes finalization could occur by December 31, 2013.

Attachment A

Confluence Project Abstract

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:

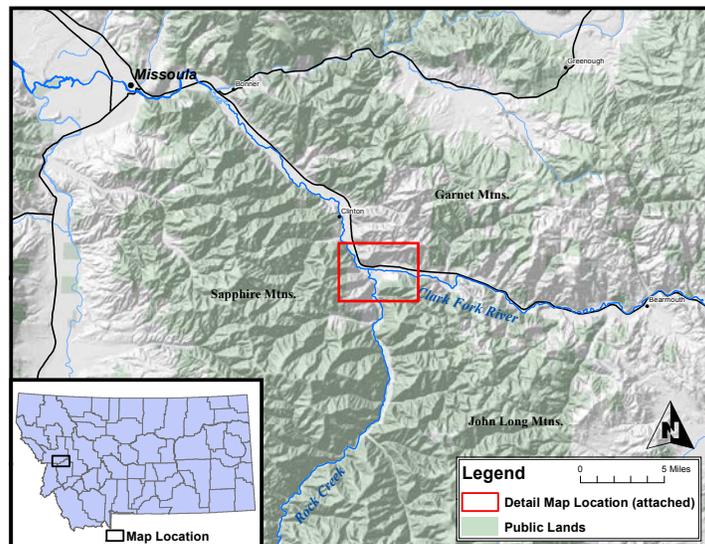
- Habitat improvement and permanent protection for 25 acres of riparian habitat (NRDP Terrestrial Restoration Priority 1) along nearly 1.5 miles of the Upper Clark Fork River below Deer Lodge (a NRDP Priority 2 stream reach).
- Habitat improvement and permanent protection for upland habitats critical 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.

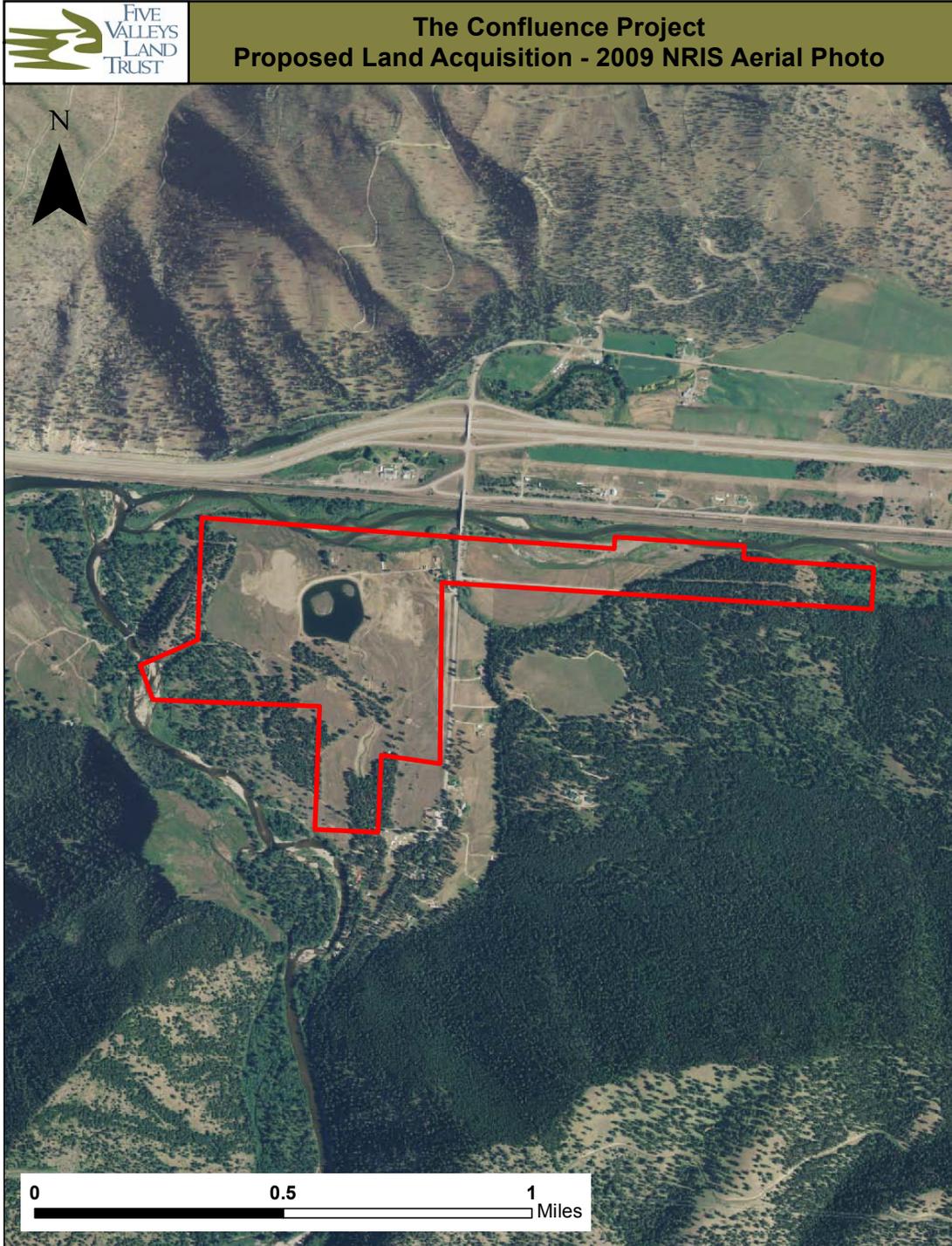
Acquisition Costs assuming 5 year ownership		
<i>Expense</i>	<i>Amount</i>	<i>% Phase I</i>
LEMB Co Property acquisition	\$1,600,000	80%
Bridge Loan (5-year @ 3%)	\$185,000	9%
Project Staff & Overhead (5-years)	\$150,000	8%
Legal fees	\$30,000	2%
Environmental Hazard Assessment	\$3,000	0%
Ecological 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 NRDP.

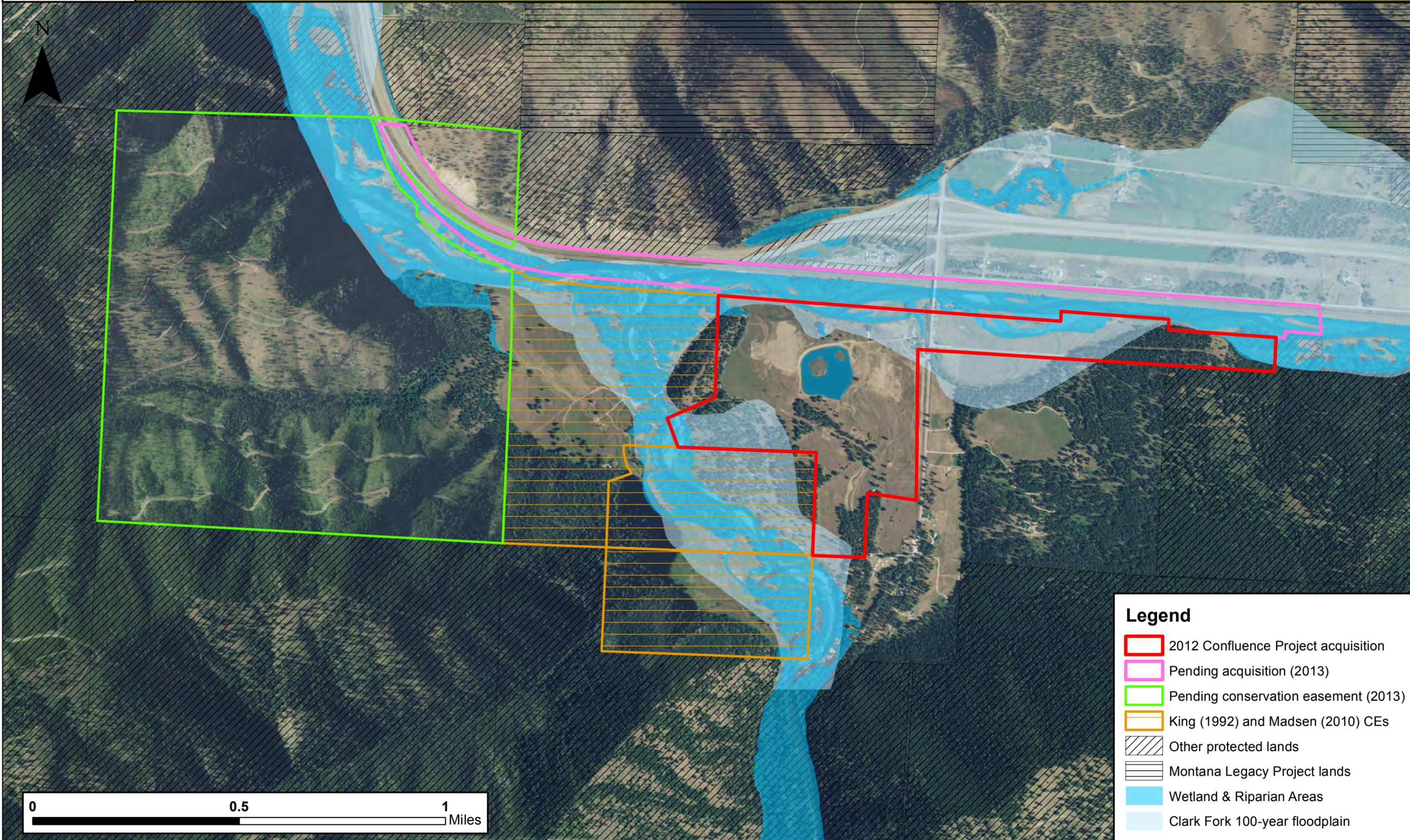
Table 3. Project Funding (Phase 1)		
<i>Funding Source</i>	<i>Amount</i>	<i>% Total</i>
Natural Resource Damage Program	\$400,000	15.8%
MT Fish & Wildlife Conservation Trust	\$100,000	5.3%
Missoula County Open Lands	\$300,000	15.8%
Five Valleys Land Trust Rock Creek Trust	\$300,000	15.8%
Five Valleys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

Property Aerial Photo Map



Attachment B

Map of Conservation Land Acquisitions and Conservation Easements



Legend

-  2012 Confluence Project acquisition
-  Pending acquisition (2013)
-  Pending conservation easement (2013)
-  King (1992) and Madsen (2010) CEs
-  Other protected lands
-  Montana Legacy Project lands
-  Wetland & Riparian Areas
-  Clark Fork 100-year floodplain

Attachment C

Missoula County Management Agreement

MANAGEMENT AGREEMENT
for
The Confluence Project at Rock Creek

THIS MANAGEMENT AGREEMENT is made by and between Five Valleys Land Trust, Inc., a Montana non-profit corporation (hereinafter referred to as "Five Valleys") whose address is 120 Hickory Street, Suite B, Missoula, Montana 59802, and Missoula County, whose address is 200 West Broadway Street, Missoula, Montana 59802.

WITNESSETH

WHEREAS, Five Valleys will acquire in fee simple, certain real property situated in Missoula County, Montana, hereinafter referred to as the "Property," as described in the legal description attached as Exhibit A and depicted on the Property Map attached as Exhibit B; and

WHEREAS, Five Valleys will acquire the Property with the intention of protecting the Property's unique conservation values (hereinafter the "Conservation Values"), namely:

- a. Scenic views of the Property, the Clark Fork River, and the Rock Creek Valley for members of the public; and
- b. Significant relatively natural habitats for native plants, fish and wildlife, which are important to the ecological integrity and functions of the Rock Creek and Upper Clark Fork River Valleys; and
- d. Educational and research opportunities for the general public; and
- e. Recreational opportunities for the general public, including enhanced access to public lands and waterways; and

WHEREAS, Five Valleys acknowledges that the Property will be acquired in part with Open Space Bond grant funds provided by Missoula County pursuant to the 2007 Missoula City/County Open Space Interlocal Agreement (hereinafter the "Open Space Agreement"); and

WHEREAS, Five Valleys and Missoula County mutually acknowledge the need for assurance that management of the Property will be consistent with the protection of the Conservation Values, and consistent with the purposes of the Open Space Agreement, in perpetuity;

NOW, THEREFORE, for the purpose of providing guidance on management of the Property in such a manner as is consistent with protection of the Conservation

Values, and consistent with the purposes of the Open Space Agreement, Five Valleys and Missoula County mutually agree and declare, on behalf of themselves, and their heirs, executors, administrators, successors and assigns, that the Property will be held and hereafter shall be conveyed, subject to the following terms and conditions.

TERMS AND CONDITIONS

Five Valleys may not encumber, dispose of in any manner, or use the Property in a way that is inconsistent with the Open Space Agreement. Five Valleys will, without exception, abide by the specific guidelines set forth in its Management Plan (attached as Exhibit C) for the Property, which has been approved by Five Valleys' Board of Directors. Furthermore, Five Valleys will secure the approval of Missoula County prior to transferring ownership of any portion of the Property to any entity other than a public agency.

BREACH OF TERMS AND CONDITIONS:

If Five Valleys fails to comply with any of the terms and conditions herein, Missoula County may require from Five Valleys repayment in part or in full of the bond funds to Missoula County or its assigns. If Missoula County suspects that Five Valleys has used, encumbered, or disposed of the property in a way that is inconsistent with the Open Space Agreement, Missoula County and Five Valleys shall first mediate the dispute as provided below. Missoula County and Five Valleys shall mediate whether the Five Valley's use of the property will ultimately result in substantial impairment to the purposes for which the property was acquired as contemplated in the Open Space Agreement that would require repayment in full of the bond funds to Missoula County or its assigns. In the event mediation is necessary as provided above, the mediator shall be agreed upon between Five Valleys and Missoula County. Missoula County and Five Valleys will use best faith effort to resolve the dispute through mediation.

MODIFICATION AND TERMINATION:

Amendments or modifications to this Management Agreement, or the Management Plan (attached as Exhibit C), require advanced approval from Missoula County, its successors, or designated representatives. Once approved, such modifications shall become effective upon signing by both parties.

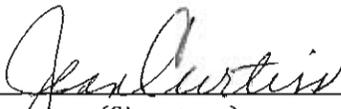
Five Valleys and Missoula County may terminate this Management Agreement if, by mutual consent of both parties, the Management Agreement is no longer necessary. Anticipated circumstances which would likely result in termination of this Management Agreement include transfer of the Property, as a whole or in separate parcels, to a public agency or other appropriate conservation entity, and/or the

encumbrance of the Property with a Conservation Easement that insures the perpetual adherence to the restrictions herein.

No change to this agreement shall be binding upon Five Valleys or Missoula County unless and until reduced to writing and signed by both parties.

IN WITNESS THEREOF, the parties hereto have caused this Grant Agreement to be executed as of the date of last signature below.

Missoula County

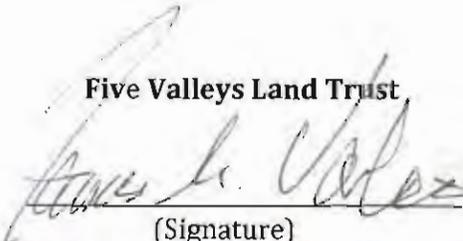


(Signature)

Jean Curtiss, County Commissioner
(Printed Name and Title)

12-5-2012
(Date)

Five Valleys Land Trust



(Signature)

Jim Valeo, President
(Printed Name and Title)

12-3-2012
(Date)

Exhibit A: Legal Description

Legal Description

Parcel 1:

A tract of land in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, Township 11 North, Range 17 West, Principal Meridian, Montana, in Missoula County, Montana; which said tract of land is more particularly described as follows, to-wit:

Beginning at the southeast corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 12; thence N.90°00'W, 447 feet; thence N.19°00'W, 396 feet; thence N. 60°00'E, 666 feet to the mid-section line; thence S.00°09'E, 708 feet along said mid-section line to the point of beginning.

RECORDING REFERENCE: Book 667 of Micro at page 481

Parcels 2-6:

All that part of the following described real property lying south of the south right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railway Company, to wit:

Lot 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 11 North, Range 16 West, P.M.M.

AND NW $\frac{1}{4}$ SE $\frac{1}{4}$ Lots 7, 8, 9 and 10, excepting a tract 230 feet by 240 feet in the extreme southeast corner of said Lot 10, as described in Deed recorded in Book 150 of Deeds at Page 164, records of Missoula County, Montana, ALSO EXCEPTING Tract A of Certificate of Survey No. 2927 and Certificate of Survey No. 614, all in Section 12, Township 11 North, Range 17 West, P.M.M.

RECORDING REFERENCE: Book 667 of Micro at page 481

EXCEPTING THEREFROM that portion decreed to the County of Missoula by Final Judgment recorded in Book 18 of Micro Records at Page 474.

ALSO EXCEPTING any portion of the right-of-way of the Northern Pacific Railroad (now Burlington Northern) being South of the South right-of-way line of the former Chicago, Milwaukee, St. Paul and Pacific Railway Company.

Exhibit B: Property Map

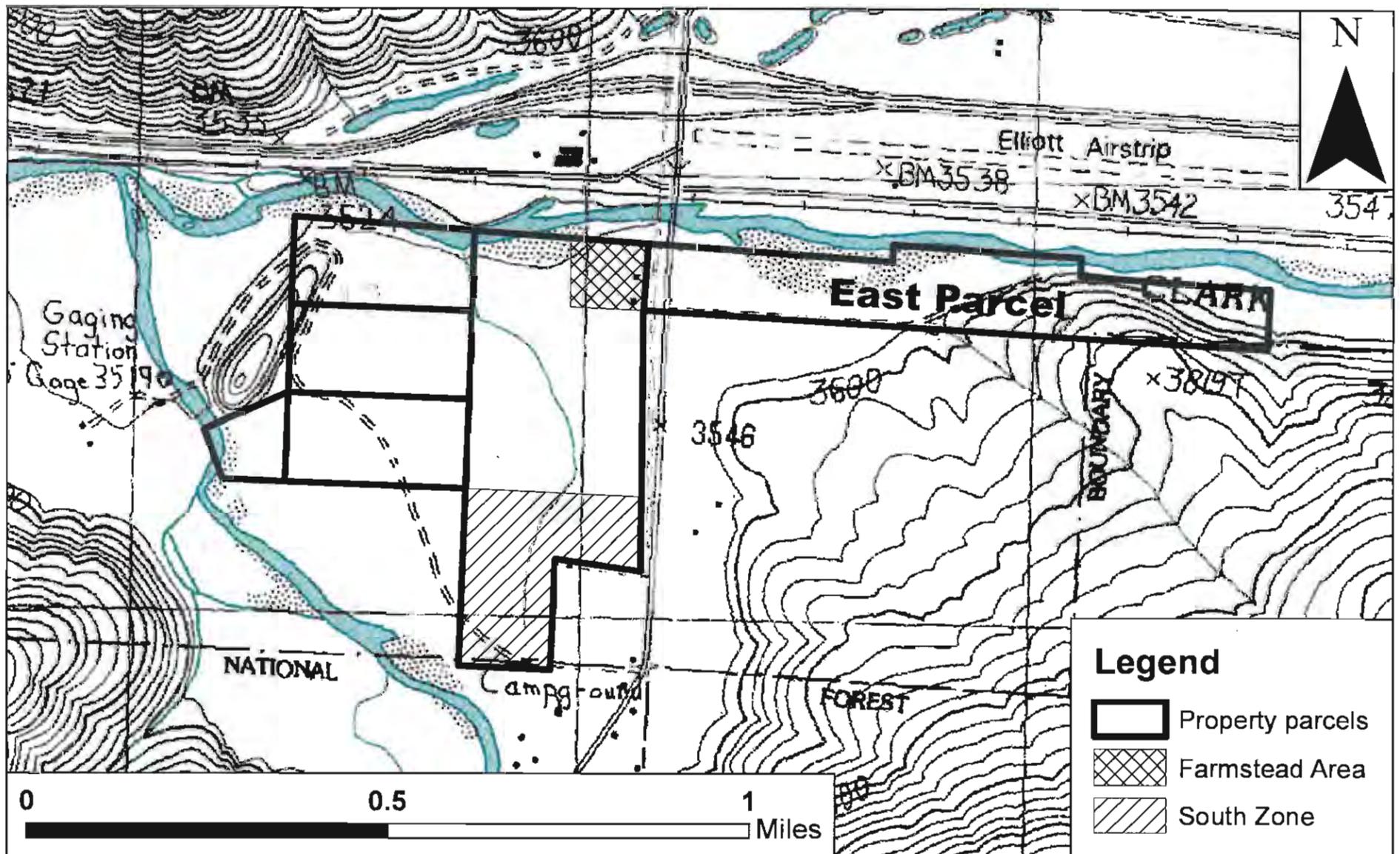


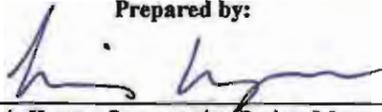
Exhibit C: Management Plan

Management Plan
for the
Rock Creek Confluence Property

FIVE VALLEYS LAND TRUST

Approved by full Board of Directors, November 29, 2012

Prepared by:



Lewis Kogan, Conservation Project Manager

Reviewed and Approved by:



Maggie Pittman, Conservation Director

Fee Ownership and Management Intent

Five Valleys Land Trust is acquiring the Rock Creek Confluence Property with the intention of protecting the property's conservation values described below. While it is not typically Five Valleys Land Trust practice to acquire conservation lands to be held long-term, the circumstances of this project make this an exceptional case. It is therefore Five Valleys' intention to acquire this property without identifying a subsequent private or public owner. Instead, Five Valleys intends to own the property at least as long as is necessary to insure permanent protection of the conservation values identified in this plan. Further, Five Valleys' board will conduct an ongoing assessment of the risks and opportunities to further our mission through the perpetual ownership of this property and may elect to permanently own the property in fee. At a time no later than five years from the date of acquisition Five Valleys board will formally reevaluate their interest and willingness to hold this property long-term.

Five Valleys also acknowledges that the full potential of this property to serve our mission and organizational goals will only be realized by engaging our partners and the local community in the execution of this management plan. Current partners include the Rock Creek Protective Association, Clark Fork Coalition, Westslope Chapter Montana Trout Unlimited, and the University of Montana's School of Forestry and Conservation. These partners may create additional plans for management of the property, as suited to restoration, revegetation and other unique areas of expertise, provided such plans are fully compatible with this management plan. Five Valleys has, and will continue to, seek the guidance of Montana Fish, Wildlife & Parks, the Bureau of Land Management, and the Forest Service in appropriate management of habitat and public recreation. Other partners will undoubtedly add value to this project as we continue to move this management plan forward in the coming five years.

In keeping with our approach to conservation easements, Five Valleys recognizes that property management is necessarily adaptive. Nonetheless it is also appropriate to set use and management guidelines to insure consistency with protection of the conservation values. Five Valleys' Board of Directors has resolved to set and abide by the guidelines, set forth in this document, in Five Valleys' management of the Rock Creek Confluence Property.

Conservation Values

- a. Scenic views of the property, the Clark Fork River, and the Rock Creek Valley for members of the public; and
- b. Significant relatively natural habitats for native plants, fish and wildlife, which are important to the ecological integrity and functions of the Rock Creek and Upper Clark Fork River Valleys; and
- d. Educational and research opportunities for the general public; and
- e. Recreational opportunities for the general public, including enhanced access to public lands and waterways.

Management Guidelines

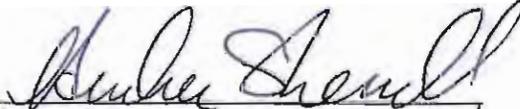
1. Use of the property will be consistent with protection of the Conservation Values defined above.

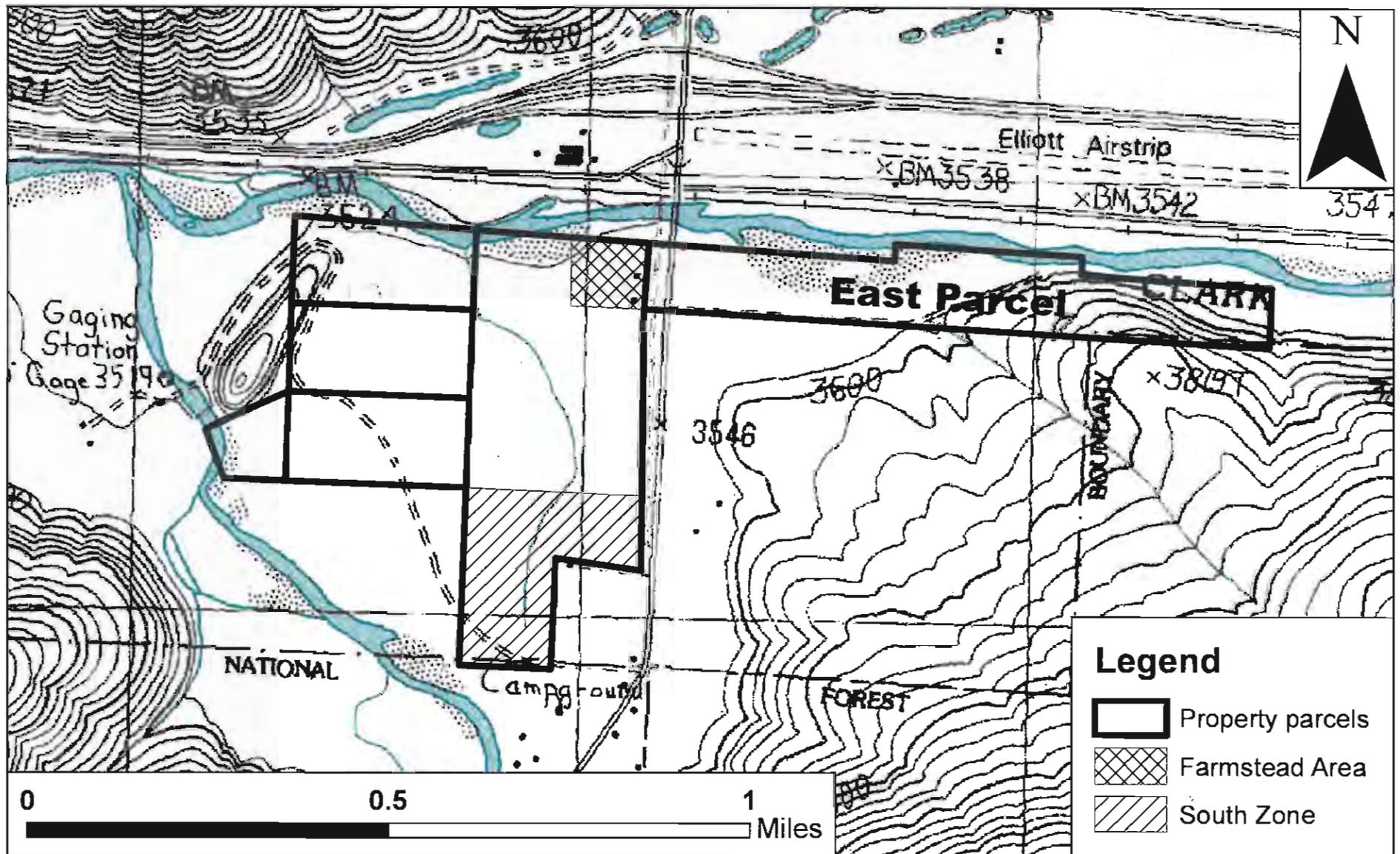
2. Five Valleys will manage the "East Parcel" (see attached property map) for public access. Five Valleys reserves the right to limit access to reasonably protect relatively natural habitat. Only structures necessary to facilitate public access, such as pit toilets, picnic tables, etc. are allowed on the East Parcel.
3. One residence and several rustic cabins currently exist on the property within the "Farmstead Area" (see attached property map). Use, repair, maintenance, and remodel of the existing structures within the Farmstead Area will be allowed.
4. Within the "Southern Zone" (see attached property map), construction, repair, maintenance, remodel, and use of structures is allowed specifically for the purpose of providing an education center for the public.
5. Excepting the allowances above, no other structures will be allowed.
6. While not an exhaustive list of permitted management activities, Five Valleys specifically retains the right to conduct surface alterations and water rights changes on the Property for the purpose of restoring natural habitat.
7. Development of significant infrastructure for active sports and organized sporting events, such as playgrounds, ball fields, swimming pools, or arenas, will not be allowed.
8. Five Valleys may transfer the property in no more than four (4) separate parcels. Approval by Five Valleys' Board of Directors is required for any transfer.
9. If Five Valleys transfers ownership of the "East Parcel" (see attached property map), transfer will be to an entity that will manage this parcel for public use.
10. If Five Valleys transfers ownership of any portion of the Property to any entity other than a public agency, Five Valleys will encumber the transferred portion of the Property with a Conservation Easement that insures the perpetual adherence to the restrictions herein.
11. Five Valleys will annually monitor the property's conservation values compared to the baseline conditions documented by Five Valleys in December, 2012.

FIVE VALLEYS LAND TRUST BOARD OF DIRECTORS

Signed:


 (Signature) James G. Valeo
 (Name) President
 (Title) 11-29-12
 (Date)


 (Signature) Amber Sherrill
 (Name) Vice President
 (Title) 11-29-12
 (Date)



Attachment D

Map of Public Access Provided by the Confluence Project



Walk-In River Access provided by project. Nearest downstream fishing access 3 miles downstream at Schwartz Creek FAS.

New public parking area and fishing access provided by project, with easy access immediately off Rock Creek Road. Numbers denote available parking spaces.

Walk-In River Access provided by project. Nearest upstream fishing access 5 miles upstream at Beavertail Hill FAS.

Pond Restoration Area. Major earthmoving activities and vegetative restoration planned.

New riverside trail and USFS access provided by project. Previously, nearest access to this public land required 16+ mile drive on logging roads from Beavertail Hill.

Future walk-in access to Rock Creek provided by project. Access route across property to be determined.

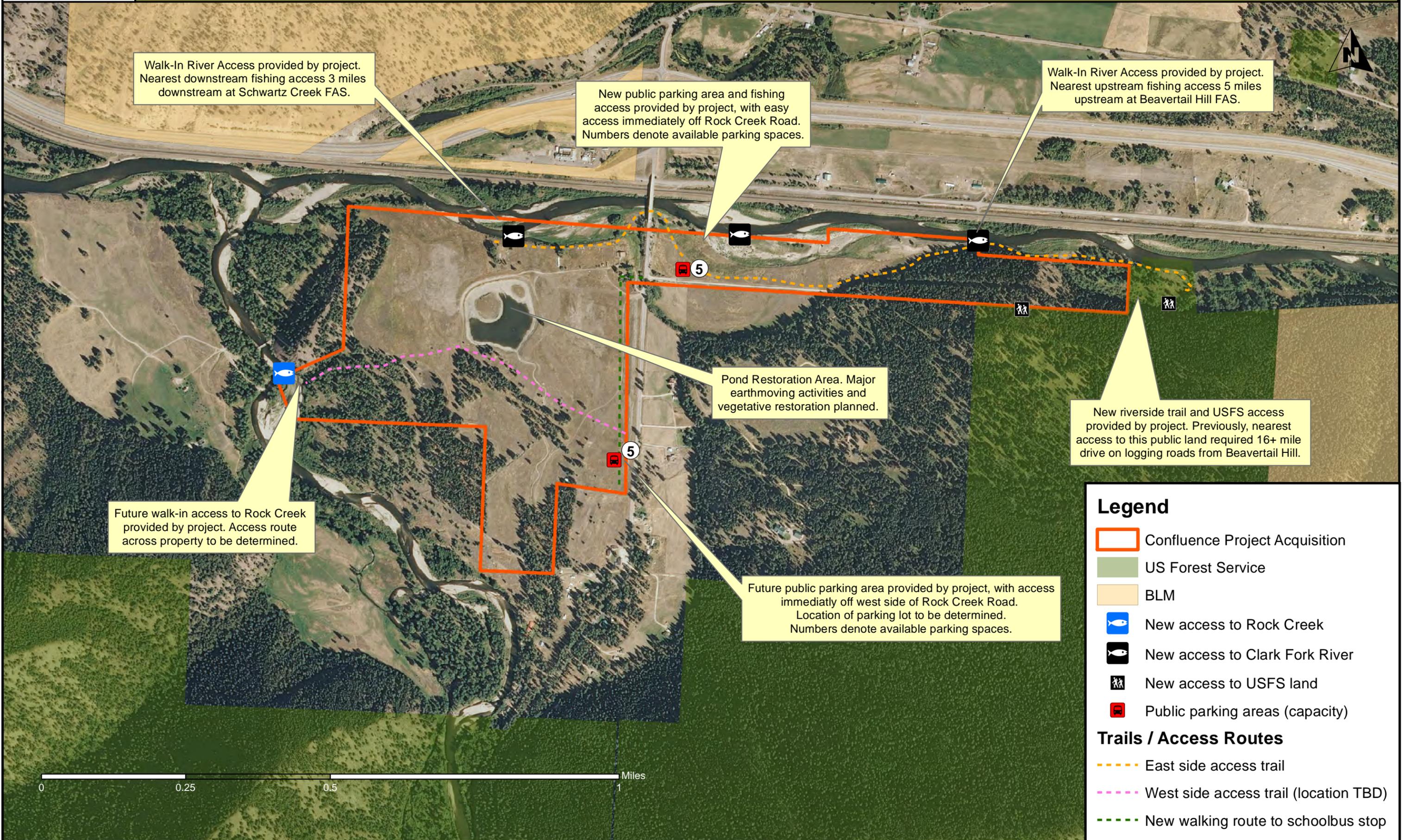
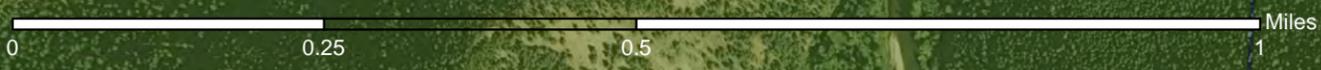
Future public parking area provided by project, with access immediately off west side of Rock Creek Road. Location of parking lot to be determined. Numbers denote available parking spaces.

Legend

- Confluence Project Acquisition
- US Forest Service
- BLM
- New access to Rock Creek
- New access to Clark Fork River
- New access to USFS land
- Public parking areas (capacity)

Trails / Access Routes

- East side access trail
- West side access trail (location TBD)
- New walking route to schoolbus stop



Attachment E

FWP Aquatic and Terrestrial Resource Evaluation of the Confluence Project

Attachment E
Aquatic and Terrestrial Resource Evaluation
The Confluence Project at Rock Creek

Date: June 11, 2013

Prepared by: Ray Vinkey and Kristi DuBois, FWP wildlife biologists and Brad Liermann, FWP fisheries biologist

Property name: Rock Creek Confluence property

Project Sponsor: Five Valleys Land Trust (FVLT)

Location: Rock Creek, Montana

Portions of:

Township 11 north, 16 west, section 7

Township 11 north, 17 west, section 12

Acreage: 201 acres, **Elevation:** 3520'

Landownership: Nonprofit organization

Project description and cost: The Confluence land acquisition project sponsored by the FVLT was included for further review and a subsequent funding decision in the December 2012 *Final Upper Clark Fork River Basin Aquatic and Terrestrial Resources Restorations Plans (Final Restoration Plans)*. Pursuant to those plans, FVLT seeks \$400,000 from NRDP to reimburse them for the purchase of 201 acres near the confluence of Rock Creek and the Clark Fork River. FVLT purchased the property in Dec. 2012 for \$1.6 million through a combination of donations, grant funds, and loans. The land is to be managed for conservation and enhancement of terrestrial, and aquatic habitats, and for public recreational use and access.

Wildlife Habitat onsite: *(Are there targeted habitats for conservation? Any unique habitats?)*

This property is dominated by nonnative grasses on a level area that probably was used for hay production in the past. The eastern portion of the pasture lies within a historic—now filled in—oxbow of the Clark Fork. The property has 25 acres of riparian and wetland habitats along the Clark Fork River—and along a portion of Rock Creek and another 50 acres within the 100 year flood plain of the Clark Fork River. All riparian and wetland habitats in the UCFRB are designated as Priority 1 lands for habitat protection and enhancement in the *Dec. 2011 Final UCFRB Terrestrial Prioritization Plan*. Mature cottonwoods are found in the northwest corner within the floodplain of Rock Creek. The flat river bottom areas have scattered mature ponderosa pine trees and there are patches of aspen adjoining the pasture on the east side of the property.

Dry douglas fir dominated forest is found at the toe of a ridge on the east side of the property where it adjoins Forest Service lands. We estimated this conifer forest to be in the range of 100 years old. Some large “legacy” trees and snags were visible in this area. The riparian and conifer forest habitats offer replacement habitat and enhancement opportunities for targeted species. Grasslands in the area have been heavily degraded by past hay production and weed infestations. Native grasslands are present, but limited.

Much of the eastern part of the property is pastureland that was being prepared for development. The nonnative grasslands are infested with weeds, typical of most river bottom habitats in the Clark Fork/Missoula area. The riparian habitat along Rock Creek is in good condition, and adjoins riparian habitats on adjacent properties some of which are held under conservation easements. The riparian habitat along the Clark Fork River is in poor condition, due to years of excessive livestock grazing. Conifer forest and the scattered ponderosa pine appear to be in good condition with no significant insect infestation apparent. The artificial pond in the area had low water, and only a few small patches of willows around it.

Wildlife onsite: (What species are present, any Species of Concern or Endangered Species Act species? Are there targeted species for restoration: waterfowl, aquatic mammals, amphibians, grassland birds, insectivorous birds, birds of prey, bats?)

During an April 23, 2013 site visit, FWP biologists observed multiple raptors: bald eagle, red-tailed hawk, osprey, and American kestrel in and near the property. Other birds observed were the western blue bird, black-capped chickadee, violet green and tree swallows, downy woodpecker, American robin, red winged black bird, mallard, Canada geese, and Barrow’s golden eye. White-tailed deer were observed and are abundant with 20 to 92 reported feeding on green up this spring. There are recent reports of up to 35 elk on the property. Wild turkeys have been observed on previous site visits.

Species of Concern likely present on the property (either foraging or breeding) include golden eagle, great blue heron, Lewis’s woodpecker, hoary bat, fringed myotis, evening grosbeak, Cassin’s finch, pileated woodpecker, Veery, Clark’s nutcracker, and western toad. The property has not been surveyed for small mammals, reptiles and amphibians, bats, or songbirds.

Targeted species for restoration observed or likely to use the property include fish-eating species, waterfowl, raptors, amphibians, woodpeckers, insectivorous birds, bats, and burrowing mammals.

A bald eagle pair nests on the adjacent property along Rock Creek, only 50 meters from the property boundary. The property provides perch trees and roost trees, as well as foraging habitat for these bald eagles. It also could provide post-fledging habitat for the eaglets. Other raptors observed on the property include red-tailed hawk and American kestrel. No owl surveys have been done, but the area could potentially be used by great horned owl, saw-whet owl, northern pygmy-owl, and other species.

A small great blue heron rookery (about 10 nests) is located approximately 500 meters north of the property, on the north side of I-90. Great blue herons have been observed foraging in the

pond on the property. Foraging habitat for herons can be found in several backwater areas on the property, along Rock Creek and the Clark Fork River. A nesting pair of ospreys is located on a power pole in the portion of the property east of Rock Creek Road. Waterfowl use the property, especially the backwater areas along Rock Creek and the Clark Fork River, and the artificial pond.

Burrowing/ground dwelling mammals include northern pocket gopher, meadow vole, and deer mouse. Although not observed during our assessment, the property likely supports Columbian ground squirrels, which also provide foraging opportunities for great blue herons and raptors. Northern river otter have been observed less than 2 km downstream of the property, and may move through the area.

The property has not been surveyed for amphibians, but long-toed salamander, Columbia spotted frog, and western toad may be present in the area. Numerous insect-eating species are present, including a variety of songbirds and woodpeckers. Buildings present on the site may support roosting bats, but surveys would be needed to document use. Habitats on the property likely provide roosting and foraging for tree bats (hoary bat, silver-haired bat), and foraging habitat for a variety of other bat species.

Fisheries habitat and resources onsite:

As the name suggests, the property is located adjacent to both the Upper Clark Fork River and Rock Creek. A majority of the riparian habitat and stream corridor protected by the property is on the Clark Fork River, with only a small portion of Rock Creek being protected. Both Rock Creek and the Clark Fork River in this reach maintain bull trout and westslope cutthroat trout populations, although Rock Creek sustains more robust native fish populations than the upper Clark Fork River. Both river systems provide important migratory habitat for these species with the confluence being an important feature for migrating and staging adult native fish. In addition to native fish, both rivers also maintain quality recreational fisheries (brown and rainbow trout) although Rock Creek again supports much higher densities of recreational fish species than the Clark Fork River. Both rivers provide quality angling that is highly valuable to anglers that fish Western Montana.

Protection of this property will provide significant resource value to the fisheries resources in both the Clark Fork River and Rock Creek. This project will provide protection of approximately 1.5 river miles of riparian habitat on the Clark Fork River. The foot print for riparian protection is smaller on Rock Creek (approximately 500 feet), but the property does maintain a significant water right from Rock Creek. Protection of this water right could reduce fish entrainment and provide additional in-stream flow to Rock Creek and the Clark Fork River. This reduction in fish entrainment and improvement of in-stream flows assumes that this portion of the project is completed (currently in the planning and assessment phase).

According to the *2011 Final Aquatic Prioritization Plan*, the Clark Fork River in this reach is a Priority 2 stream only for in-stream flow projects. Thus, the portion of the project that protects riparian habitat is not classified as Priority 2 restoration project. The only portion of the project that would be considered Priority 2 would be in-stream flow protection from the Rock Creek

diversion, should this portion of the project be implemented. Protection of riparian habitat on Rock Creek would be classified as a Priority 3 project based on the *December 2011 Aquatic Prioritization Plan*.

Geographic relationship to other lands: (*Public, protected, developed, connectivity*)

To the west the property adjoins two other properties with conservation easements on approximately 300 acres and another 572 acre easement proposed for 2013. The Forest Service is the primary land holder in Rock Creek and adjoins the FVLT property to the east. Across Highway 90 to the north the Nature Conservancy holds thousands of acres of former timber lands. The Confluence parcel is situated between these protected lands and as such contributes to conservation of the entire landscape.

Confluence areas of streams and rivers are very important for fish and wildlife because they provide connectivity, riparian habitat, and a juxtaposition of habitats. In the Upper Clark Fork River Basin, confluence areas tend to have nesting eagles and great blue herons. Confluence areas are frequently heavily impacted by human development. The Rock Creek confluence area is intact, and less developed compared to many of the other major confluences in the watershed.

Development Status: (*What is the development potential?*) The property was proposed for subdivision into 37 lots, but that proposal was denied. The previous owner was working on an alternative subdivision plan, but then sold the property to FVLT, removing the immediate risk of subdivision. The property is platted as 6 parcels. While FVLT has committed to conservation of the property in the near term, its location on Rock Creek and within close proximity to Missoula give it high development potential.

Enhancement opportunities:

There is significant potential onsite for habitat improvement and protection for 25 acres of riparian habitat as well 50 acres in 100 year Clark Fork floodplain and in the pastures. The riparian habitat along the Clark Fork River offers excellent riparian habitat enhancement opportunities. The area had been heavily grazed by cattle. The cattle have been removed, and FVLT is working to improve fencing to eliminate trespass cattle from an adjacent property. Removal of cattle grazing alone should improve the riparian habitat quantity and quality. Three hundred willow clips were planted this spring with more planned for subsequent years. FVLT, in consultation with the Clark Fork Coalition and Trout Unlimited, is assessing additional opportunities for riparian and wetland restoration as well as modifications to the irrigation ditch to avoid fish entrainment.

The artificial pond/gravel pit has potential for conversion into a moist-soil shallow water wetland and FVLT is working with the University of Montana to assess feasibility and design of a wetland. Herbicides have been sprayed on roadside weeds and other problem spots with additional treatments planned for this fall and subsequent years. To date FVLT has also removed hazardous fencing. Overall FVLT has initiated significant enhancement activities and has long term plans to make the site a model of restoration.

Public access and recreation: (What will be provided? Are there risks?)

FVLT plans to manage the property to provide for public access. They are offering unlimited access to the east side of the property, which will provide access to a previously inaccessible area of Forest Service land. This will provide access to the Clark Fork River. FVLT has already developed a parking area and associated signage providing access to 1.5 miles of river frontage.

Access to the west portion of the property will be more limited and is subject to approval of partners, including NRDP and FWP. Some initial limit to access will be necessary while they work on restoring vegetation in the grassland areas, and removing a gravel berm along Rock Creek Road. Public access can be provided over most of the property in the future with little impact on wildlife. Access to the western portion of the property by Rock Creek may need to be limited seasonally, to avoid disturbance to the nesting pair of bald eagles that nest a few hundred feet south of the western part of the property. This issue requires further evaluation.

This project provides significant improvement of stream access to both the Clark Fork River and Rock Creek. This project will provide exceptional access to the Clark Fork River including access for wading anglers to approximately 1.5 miles of the Clark Fork River and an access point to park and carry light weight boats to the river for float access to the Swartz Creek and Turah Fishing Access Sites. The portion of the property adjacent to Rock Creek will provide access to a reach that is generally very difficult to access, but provides excellent angling opportunities. Overall, this project provides a significant improvement in access to this reach of both the Clark Fork River and Rock Creek and thus has significant value.

Recreation compatible with the area includes hiking, birding, fishing, some hunting, and access for floating. The property supports game species notably white-tailed deer, as well as elk, black bear, wild turkey, and waterfowl. Hunting opportunities could be provided, especially for archery and shotgun hunters. The project provides public access to USFS lands adjacent to the eastern portion of the property that have previously only been accessible from public access points from about 15 miles away.

Who are the partners? FVLT is working in partnership with the Clark Fork Coalition, Trout Unlimited, the University of Montana, and the Missoula College. These partners are will provide water right research, restoration design and access management, and excavation. FVLT is also interested in working with agency cooperators: NRDP, FWP, USFS, and BLM.

Who will manage the land? FVLT will manage the land in collaboration with its partners.

Other unique factors to consider: Rock Creek is a nationally recognized blue ribbon stream; this project has a high public profile, and is in close proximity to Missoula.

Summary: The Confluence project is distinctive because of the enhancement activities completed and planned as well as the large number of partners involved. There is great interest in the project in the Missoula and Rock Creek communities. It can be a positive example of collaborative conservation in the watershed. Although grassland areas are heavily impacted by

past hay production and disturbance by the past owner, restoration of native grasslands in the area is possible. Important riparian habitats may be enhanced to improve their value for terrestrial and aquatic resources. The project has unique potential for habitat enhancement and recreational access to the Clark Fork River, Rock Creek, and USFS lands.

**Draft Response to Public Comments on the
“NRDP Funding Recommendation for the
Confluence Project at Rock Creek”
Document dated June 2013**

**PREPARED BY:
STATE OF MONTANA
NATURAL RESOURCE DAMAGE PROGRAM
1301 EAST LOCKEY
P. O. BOX 201425
Helena, MT 59620-1425**

August 2013 Draft

Introduction

On June 27, 2013, the Natural Resource Damage Program (NRDP) released the “*NRDP Funding Recommendation for the Confluence Project at Rock Creek*” document for public comment through July 26, 2013. For outreach on this public comment period, the NRDP sent notices of this opportunity for public comment to approximately 370 individual/entities on our mailing list and placed a set of ads in three basin-area newspapers. The NRDP, along with the Project Sponsor, the Five Valleys Land Trust (FVLT), summarized the project at the June 19, 2013 meeting of the UCFRB Remediation and Restoration Advisory Council (Advisory Council).

The NRDP received a total of 20 comment letters during the public comment period. Nineteen comment letters indicated general support of the project and the NRDP’s funding recommendation. One comment letter opposed the use of NRD funds for the project. See Appendix 1 for a list of commenters, identified by a specific number that serves as a reference to the comment. Appendix 1 also provides copies of the 20 comment letters.

This draft response to comments document summarizes the public comments received and provides the NRDP’s draft responses to these comments. These draft responses will be considered at the next meetings of the Advisory Council and the Trustee Restoration Council. Once these meetings are scheduled, information about the time/location of these meetings can be found at: <https://doj.mt.gov/lands/advisory-councils/>. These draft responses may be revised based on input from the Trustee Restoration Council and a final decision by the Governor.

Comment Summary and Response

1) Comments in support of the project and funding it with NRD funds – 19 letters

Comments: Nineteen comment letters from 9 entities and 10 individuals indicate general support of the Confluence project and funding for the project by the NRDP (see comment letters #2 – 20). Major reasons for this support offered in these letters include that the project:

1. Protects a unique riparian habitat site at the mouth of the Rock Creek watershed and a major river confluence in the Upper Clark Fork;
2. Removes the danger of subdivision and degradation of that habitat;
3. Provides opportunities to restore and enhance the natural habitats along the Clark Fork and near the mouth of Rock Creek;
4. Provides new recreational opportunities for fishing, hiking, and wildlife viewing;
5. Provides the public with an access route to nearby national forestlands for natural undeveloped recreation opportunities;
6. Protects a variety of ecological niches where the riparian zone meets the adjoining conifer forest and grassland areas. Both resident and migrant birds will utilize the varied habitats in the area;

7. Protects important habitat for deer, elk, turkey, and other wildlife, including stream reaches occupied by native bull and westslope cutthroat trout, as well as wild brown and rainbow trout;
8. Provides unique natural resource educational opportunities;
9. Fits with NRD lawsuit objectives and restoration plan priorities; and
10. Involves a substantial funding match of 75%.

Response: The NRDP appreciates this acknowledgement of support for the project and NRD funding for it. In its June 2013 funding recommendation document, the NRDP covered many of these reasons in its analysis that concluded a favorable cost:benefit relationship.

2) Comments opposed to the use of NRD funds for the Confluence Project – 1 letter

Comment: One comment letter from an individual (comment letter #1) expresses opposition to the use of natural resource damage (NRD) funds for the Confluence project. The commenter believes no additional NRD funds should be spent until Silver Bow Creek has received the “quality cleanup and restoration that the residents of Butte deserve.” The commenter questions why NRD funds are used for areas not affected by mining and notes that majority (88%) of NRD funds received were for damages that occurred in Butte, Anaconda, and on Silver Bow Creek.

Response: The Confluence project is one of many potential land acquisition projects that were designated for further review and a subsequent funding consideration in the *Final 2012 UCFRB Aquatic and Terrestrial Resources Restoration Plans (2012 Restoration Plans)*. The NRDP does not believe that the funding of this project, or any of the other prospective projects for which funding was allocated through the *2012 Restoration Plans*, should wait until Silver Bow Creek cleanup and restoration has been completed because other funding sources exist that are dedicated to and will adequately address the needed cleanup and restoration work on Silver Bow Creek. This issue of needed funding for Silver Bow Creek cleanup and restoration, as well as the issue of expending NRD funds outside of mining-impacted areas, were issues of significant debate and analysis as part of the extensive public process that occurred over a four year period and resulted in the Governor’s approval of the *2012 Restoration Plans*. The development of the *2012 Restoration Plans* involved determining what actions would most cost-effectively restore or replace injured resources, beyond the work already funded/planned for restoration of injured aquatic and terrestrial actions such as the work completed and planned for cleanup and restoration of Silver Bow Creek.

With respect to comment about the focus of the NRD lawsuit, the majority of the injuries covered under the lawsuit arose because of releases of hazardous substances originating in the Silver Bow Creek and Warm Springs Creek drainages, and the majority of those injuries occurred in the upper part of the UCFRB, which the State defines as the drainage above Garrison. As indicated in the State’s previous response to similar comments submitted *2012 Restoration Plans*,¹ the majority (about 90%) of the \$65 million in UCFRB Restoration Funds

¹ *Final Response to Public Comments on the Draft UCFRB Aquatic and Terrestrial Resources Restoration Plan, prepared by the NRDP, December 2012, pages 5-13.*

allocated through the *2012 Restoration Plans* is dedicated to restoration in the upper part of the UCFRB above Garrison. Under both past and future funding analyses that consider all the settlement funds, not just the UCFRB Restoration Fund, about 70% of all funding will be for actions occurring in the two upper counties of the UCFRB (Butte-Silver Bow and Anaconda-Deer Lodge County).

More information on the past and expected future expenditure of NRD funds and the adequacy of funds for cleanup and restoration of Silver Bow Creek can be found in the *2012 Restoration Plans* and the related response to comment document. These documents are available on the NRDP website at <https://doj.mt.gov/lands/prioritizing-aquatic-and-terrestrial-resources>.

NRDP Recommendation: After consideration of public comment, the NRDP recommends the Trustee approve the project for \$400,000, subject to the following four funding conditions that are specified in the NRDP's June 2013 funding recommendation document for this project.

- 1) That a funding agreement between the State, FVLT, and Resources Legacy Fund be completed that assures title to the Property be free and clear of all monetary liens (both recorded and unrecorded) and that any rights of Resources Legacy Fund are subordinated to the rights of the State in the Property. This Agreement shall also provide that, should future ownership involve private ownership with a conservation easement, FVLT would reimburse the State its 25% proportionate share for fee-title acquisition based on reconciliation of the difference in purchase price for fee vs. easement acquisition and also provide the State with a third party right of enforcement in the easement agreement.
- 2) That a management agreement between NRDP and FVLT that sets out land protection and access procedures will be completed. Among other things, this agreement will provide for public access to the entire Property as described in this evaluation and depicted on the access map (Attachment D) during the term of its ownership and insure such access is maintained under subsequent ownership scenarios or otherwise reimburse the State for its proportionate share of the investment.
- 3) That the funding and management agreements are recorded at closing.
- 4) That a final survey of property boundaries be completed.

If the Governor approves the project funding, these conditions in the above-described agreements would be finalized prior to transmittal of funds. The NRDP and FVLT have discussed these conditions at meetings and in subsequent follow up communications. FVLT has indicated general acceptance of these funding conditions; however, FVLT must also obtain approval of its Board for the funding agreement. The planned schedule for completion of the funding agreement is by the end of 2013, although the Parties will make a good faith effort to complete the fund and management agreements before then.

Comment	First Name	Last Name	Organization	City	State
1	Fritz	Daily		Butte	MT
2	Mike	Kustudia			MT
3	Sean	Benton			MT
4	Carey	Schmidt			MT
5	Karen	Knudsen	Clark Fork Coalition	Missoula	MT
6	Orrin	Johnson			MT
7	Bruce	Farling	Montana Trout Unlimited	Missoula	MT
8	John	Menson		Clinton	MT
9	Ronald	Clausen	Clausen Law Group	PT. Richmond	CA
10	Sharene	Menson		Clinton	MT
11	Steve	Schombel		Missoula	MT
12	Casey	Hackathorn	Hellgate Hunters and Anglers		MT
13	Greg	Munther	Backcountry Hunters and Anglers	Missoula	MT
14	Richard	Torquemada	DOI	Missoula	MT
15	Robert	Rembert		Clinton	MT
16	Paul	Matter	USDA Forest Service	Missoula	MT
17	Pat	Little	Five Falleys Audubon Society	Missoula	MT
18	Bill and Lois	Hammer		Clinton	MT
19	Jeff	Crouch		Missoula	MT
20			Missoula Board of County Commissioners	Missoula	MT

Fox, Carolyn A.

From: Coleman, Kathleen on behalf of Natural Resource Damage Program
Sent: Tuesday, July 09, 2013 8:47 AM
To: Fox, Carolyn A.
Subject: FW: Nrd Comments

From: Fritz Daily [<mailto:buttedaily@bresnan.net>]
Sent: Monday, July 08, 2013 6:58 PM
To: Natural Resource Damage Program
Subject: Nrd Comments



Fritz Daily
1901 Roosevelt Ave.
Butte, MT 59701

I am absolutely opposed to the use of Natural Resource Damage Funds for the confluence of Rock Creek and Clark Fork River project about 20 miles East of Missoula. While I am sure this is a very worthwhile project, this is a definite misuse of these funds!

NO ADDITIONAL MONEY SHOULD BE SPENT FROM THE FUND UNTIL SILVER BOW CREEK FLOWING THROUGH THE HAS RECEIVED THE QUALITY CLEANUP AND RESTORATION THAT THE RESIDENTS OF BUTTE DESERVE!

If it was not for the mining damage that occurred in Butte and Anaconda Montana there would not have been a Natural Resource Damage lawsuit. 88% of the original damage lawsuit, according to documents provided by the Natural Resource Damage Program, were for damages that occurred in Butte, Anaconda and on Silver Bow Creek. This is another perfect example of using the funds in areas that have not been effected by mining damage connected to the Silver Bow Creek Superfund Site.

While I know this email will be ignored by the "anti Butte bureaucrats" in the Natural Resource Damage Program, I feel compelled to write this email. I want to at least let future generations know when all of the monies have been spent and they are paying taxes to fix the mess, that at least someone cared about the misuse of the Natural Resource Damage funds.

Fritz Daily

Coleman, Kathleen

From: Michael Kustudia <mkustudia@gmail.com>
Sent: Tuesday, July 09, 2013 6:08 PM
To: Natural Resource Damage Program
Subject: Confluence Project at Rock Creek

Dear Carol:

For the first time ever I write you in support of a project solely as an engaged citizen. Please count me as a supporter of the Confluence Project at Rock Creek, which is currently under consideration by the NRDP Advisory Council and Trustee Restoration Council.

I write in support because I believe Rock Creek is a precious landscape in the Upper Clark Fork watershed. I have a lifelong connection to the river, first fishing it 40 years ago with my grandfather. (And he probably fished it for 40 years before that!)

I support it because of the recreational access it permits to the two rivers. I support it for the natural resource benefits it provides through the restoration plan. And mostly I support it because it ensures that it won't become a poorly sited subdivision.

Thanks for your consideration and all the great work of the NRDP.

Sincerely,

Mike Kustudia

Coleman, Kathleen

From: Sean Benton <sean.benton@partnerscreative.com>
Sent: Tuesday, July 09, 2013 5:17 PM
To: Natural Resource Damage Program
Subject: ATTN: Carol Fox, RE: Support for Rock Creek Confluence Project

RE: NRDP Funding for the Confluence Project at Rock Creek

I very much support the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council.

First, this project forever conserves a place that is special to me, one I've fished with friends and family, one I've been fortunate to spend time on, one that nearly had a tragic ending thanks to subdivision.

In terms of conservation value the place is pretty spectacular. I've caught trout; seen elk, deer, coyotes and foxes; watched osprey rear young; enjoyed the songs of waxwings and spotted a fair number of raptors and waterfowl species all on this property. It is a place of connection that links important watersheds and protected riparian lands. And of course, it is a spot not all that far from town where you can fish, hike and otherwise revel in what Montana has to offer.

Moreover, I'm not alone. On a recent work day to help clean up the property and build a public parking area, I was joined by a couple hundred volunteers who feel strongly enough about the place to wield shovels, yank fence and leave their sweat where their hearts are.

I can't imagine a stronger candidate for NRDP funding than the confluence of two storied rivers in one very remarkable setting.

Thank you for inviting comment. I hope you'll approve the funding.

Sincerely,

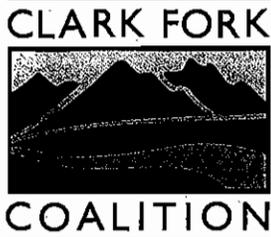
Sean Benton
Missoula, Montana

Coleman, Kathleen

From: Carey B. Schmidt <cschmidt@phillipsmontana.com>
Sent: Tuesday, July 09, 2013 12:03 PM
To: Natural Resource Damage Program
Subject: confluence project comments

Hi - just want to state i support this project. the confluence land is very important for economic reasons - it will greatly promote fishing tourism and promote Rock Creek as a publically accessible place to visit. Given how much formerly open land has been closed off to the public, this is a very important goal. Please support this public access acquisition.

Carey Schmidt, Missoula.



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JUL 09 2013

NATURAL RESOURCE
DAMAGE PROGRAM

July 8, 2013

Carol Fox, Restoration Program Chief
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

RE: NRDP Funding for the Confluence Project at Rock Creek

Dear Ms. Fox:

I am writing on behalf of the Clark Fork Coalition to voice our strong support for the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council. The Coalition supports this project because it:

- protects a unique riparian habitat site—a major river confluence in the Upper Clark Fork
- removes the danger of subdivision or other degradation of that habitat
- protects key habitat connectivity-migratory corridors for native trout, big game, and birds
- provides opportunities to restore and enhance the natural habitats along the Clark Fork and at the mouth of Rock Creek
- may allow for significant protection of in-stream flow in lower Rock Creek
- provides new recreational opportunities for fishing, hiking, and wildlife viewing
- provides educational opportunities for students

The Clark Fork Coalition is a partner in this project, and is providing in-kind services in examining water right options and fish passage options for the property. We believe that this project fits well within the "Final Upper Clark Fork River Basin Aquatic and Terrestrial Resources Restoration Plans," and would represent an excellent use of Natural Resource Damage Program funds.

Thank you for your time and consideration of this important project.

Sincerely,

Karen Knudsen, Executive Director

PO Box 7593
Missoula, MT 59807

T: 406.542.0539

F: 406.542.5632

www.clarkfork.org

Coleman, Kathleen

From: Orrin Johnson <owj5454@yahoo.com>
Sent: Thursday, July 11, 2013 11:08 AM
To: Natural Resource Damage Program
Subject: Rock Creek Clark Fork confluence acreage

I support the proposed purchase of the 201 acres at the Clark Fork-Rock Creek confluence. This will be another vital link in the efforts to protect water quality and species habitat.

Sincerely,

Orrin Johnson
Missoula

MONTANA



Main Office

P.O. Box 7186

Missoula, MT 59807

(406) 543-0054

9 July 2013

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JUL 13 2013

NATURAL RESOURCE
DAMAGE PROGRAM

Carol Fox, Restoration Program Chief
 Natural Resource Damage Program
 P.O. Box 201425
 Helena, MT 59620-1425

RE: NRDP Funding for the Confluence Project at Rock Creek

Dear Ms. Fox:

Montana Trout Unlimited supports the Confluence Project at Rock Creek. We urge the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council to approve the request of Five Valleys Land Trust for \$400,000 to complete the property purchase. We support this project because it:

- Protects the gateway to one of Montana's most iconic trout streams from development.
- Creates opportunities for public recreation where they didn't previously exist, including angling, hiking and wildlife viewing.
- Provides a unique outdoor educational laboratory for primary, secondary and higher education students.
- Protects important riparian habitat along the Clark Fork and Rock Creek from subdivision.
- Permanently protects important habitat for white-tail deer, elk, turkeys, nesting bald eagles and other wildlife – as well stream reaches occupied by native bull trout and cutthroat trout, as well as recreationally important populations of wild brown trout, rainbow trout and mountain whitefish.
- Preserves connectivity for wildlife moving between protected tracts near the confluence of Rock Creek and the Clark Fork River.
- Creates a unique opportunity to restore and enhance natural habitats at the mouth of Rock Creek.
- Is an investment that will be protected in perpetuity with a conservation easement.

Project sponsor Five Valleys Land Trust is a highly respected conservation organization, dedicated to protecting and creating high-quality wildlife and habitats and recreational open space. Montana TU and its local Westslope Chapter have a long history of successful conservation in the Rock Creek and Clark Fork watersheds. We are partnering with the land trust in designing restoration and public access and recreation plans for the site. We have invested cash and staff time helping develop

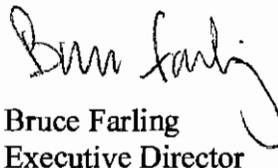
this project, and commit to ensuring the ecological health of the property is restored and that it remains available for public use in perpetuity.

The project fits squarely within the objectives of the NRD claims and settlement, and its acquisition, proposed management and preservation through a conservation easement are consistent with the NRD program's plans and priorities for riparian habitat replacement and for protection of aquatic resources.

It is important to note that this project is very popular with the public. Seventy-five percent of the funding for purchase has been raised or committed from other sources, demonstrating that the objectives, purpose and proposed management have been vetted and found acceptable by an assortment of other interests. We urge the advisory council, trustee council and Governor of Montana to invest in this worthwhile project.

Thanks for your consideration. I would be happy to discuss the project and Montana TU's interest and involvement further.

Sincerely,



Bruce Farling
Executive Director

July 9, 2013

Carol Fox, Restoration Program Chief

Natural Resource Damage Program

P.O. Box 201425

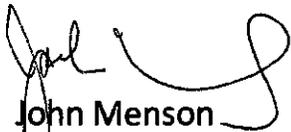
Helena MT 59620-1425

Subject: NRDP Funding for the Confluence Project at Rock Creek

As a resident of Rock Creek and the person (President of the Rock Protective Association at that time) who led the fight against the developer, I was so pleased that FVLT bought the property. I strongly support the current request under consideration by the Natural Resources Damage Program Citizen Advisory council and Trustee Restoration Council.

Your help in funding this project will go a long way in restoring such a special place not only for the residents of the Valley but for a community that extends far beyond. The support for our efforts during our struggles, showed the passion that people had for preserving this gateway to the Valley and the desire to restore it to its prior beauty. Rock Creek is a unique valley and shares it with persons that fish it during the day, campers for longer periods, hikers, and people that just enjoy the quiet beauty. We are not a gated community but as diverse as one can get. The one thing we all have in common is the preservation of the health of the creek and the surrounding area. The purchase of the property and the plans for restoration gives us a sense of finality that it will be not only preserved in its present condition, but brought back to its original condition.

Thank you in advance for your time and consideration in this matter.



John Menson

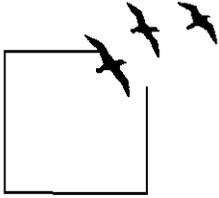
10 River Rock Lane

Clinton, MT 59825

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JUL 13 2013

NATURAL RESOURCE
DAMAGE PROGRAM



CLAUSEN LAW GROUP
1160 BRICKYARD COVE ROAD, SUITE 201
PT. RICHMOND, CALIFORNIA 94801
(510) 234-5155
FAX (510) 234-4578

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JUL 15 2013

**NATURAL RESOURCE
DAMAGE PROGRAM**

July 10, 2013

Carol Fox, Restoration Program Chief
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

RE: NRDP Funding for the Confluence Project at Rock Creek

Dear Ms. Fox:

I am writing to voice my support for the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council.

I am in support of the Confluence Project for a number of reasons. It will provide opportunities to restore natural habitat at the mouth of Rock Creek. It will protect the scenic gateway to an important recreation corridor for fishing, hiking, and wildlife viewing. And it will provide connectivity between protected lands and habitats at the mouth of the Rock Creek watershed.

As a long-time resident of Clinton this issue is dear to my heart. Thank you for your time and consideration.

Sincerely,

Ronald K. Clausen

Coleman, Kathleen

From: John Menson <jmenson@blackfoot.net>
Sent: Tuesday, July 16, 2013 9:50 PM
To: Natural Resource Damage Program

This email is to support the damage control program for the Confluence Project of Rock Creek

This piece of land at the confluence of Rock Creek and the Clark Fork River is a beautiful, recreational, historical and animal habitat. It was an area of Native American hunting camps as evidenced by arrows found on the property. This area has a riparian area that is crossed by deer, elk and other animals. Both eagles and osprey nest nearby. With this area open to students at various times, it can be a place for outstanding educational opportunities.

Many of us fought hard to stop this old ranch from becoming a subdivision with a pond. At present, we have a major opportunity to save this critical piece of land with its history and habitat for future generations. As it is close to Missoula, it can provide additional public access to fishing on the Clark Fork River.

Please help us restore and save this beautiful and vital piece of Montana

———Thank you

Sincerely

Sharene Menson
10 River Rock Lane
Clinton, MT 59825

Coleman, Kathleen

From: Stephen Schombel <stephenschombel@yahoo.com>
Sent: Wednesday, July 17, 2013 9:30 PM
To: Natural Resource Damage Program
Subject: funding for lands at Rock Creek/Clark Fork confluence

Ladies and Gentlemen:

I am strongly in favor of purchasing lands at the confluence of Rock Creek, keeping the area undeveloped and in the public domain. I've had a long involvement with the Clark Fork Superfund cleanup, particularly the Milltown Unit. One of the big reason for removing the dam was for better fish movement and spawning, and Rock Creek is a major tributary that will really benefit. This land purchase will really help. I also was on a work crew that installed a parking area while others pulled weeds and cleaned up. I'd hope all of our work will be rewarded.

Thank you, Steve Schombel, 2200 Applewood Lane, Missoula, MT.

Coleman, Kathleen

From: Casey Hackathorn <caseyhackathorn@gmail.com>
Sent: Wednesday, July 17, 2013 12:26 PM
To: Natural Resource Damage Program
Subject: Hellgate Hunters and Anglers Comments on Confluence Aquisition Project
Attachments: HHA Confluence Project Comments.pdf

Please find the attached comments in support of the Confluence Aquisition Project. Please let me know if you have any questions regarding our comments.

Sincerely,

Casey Hackathorn
President, Hellgate Hunters and Anglers



July 15, 2013

Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

RE: Support for NRDP Funding of the Confluence Acquisition Project at Rock Creek

Hellgate Hunters and Anglers (HHA) supports the Confluence Acquisition Project at Rock Creek. We urge the Natural Resource Damage Program to fully fund the project at \$400,000 for Five Valleys Land Trust (FVLT) to complete the property purchase.

We support this project because it protects a unique and ecologically important river confluence as well as the surrounding riparian and upland habitats. Our members enjoy Rock Creek, the Clark Fork River, and adjacent habitats for both fishing and hunting and look forward to the additional opportunities for public recreation that this project will provide including access to adjoining Lolo National Forest lands. The Confluence Project will permanently protect important habitat for deer, elk, turkey, and other wildlife – including stream reaches occupied by native bull and westslope cutthroat trout as well as wild brown and rainbow trout.



HHA volunteers take a break from fence work at Confluence Property, May 2013

The project sponsor, FVLT, is a highly respected conservation organization dedicated to protecting and improving high-quality wildlife habitats and recreational open space. HHA is committed to working with FVLT as a partner to help ensure successful implementation of conservation activities and access improvements at the Confluence

Project property. We have already invested volunteer effort on this project and commit to working in the future to protect the ecological health of the property and maintain access for public use.

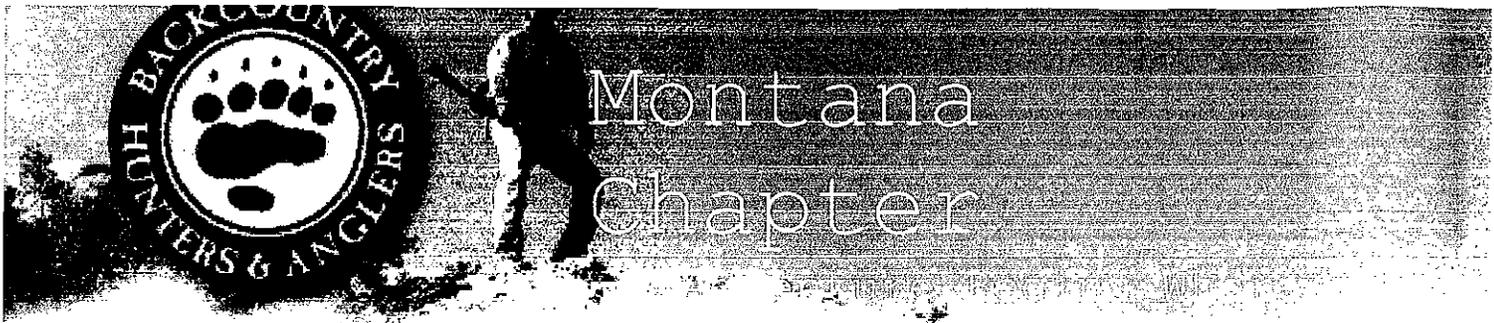
HHA believes that the project meets all the goals of the *Terrestrial Resources Restoration Plan* by restoring and replacing lost wildlife resources as well as providing wildlife related recreational opportunities. HHA also believes that several key elements from the *Terrestrial Prioritization Plan* should elevate the funding priority of this project including adjacent public land and conservation easements, multiple protected habitats, benefits to fisheries, and recreational access.

Feel free to contact me at 406-546-5680 or caseyhackathorn@gmail.com if you have any questions regarding our support for this project. Thank you for your consideration.

Sincerely,



Casey Hackathorn
President, Hellgate Hunters and Anglers



13

1295 Lena Lane
Missoula MT 59804
July 15, 2013

Carol Fox, Restoration Program Chief
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

Dear MS Fox:

We are writing in support of NRDP Funding for the Confluence Project at Rock Creek.

This parcel of land is particularly important to Montana hunters and fishermen. It has been in private ownership and has been threatened to become a subdivision. Fortunately this is a rare opportunity to put in public ownership a very accessible parcel with outstanding fish and wildlife values. It is located at the confluence of a Blue Ribbon Trout stream that serves as refugia of cold water for Clark Fork fish. It is also uniquely accessible for traveling public as well as resident fishermen and wildlife enthusiasts.

Although not "backcountry", this parcel does offer unique educational opportunities to both youth and adults for riparian and connectedness values that ties maintaining quality headwaters to provide downstream benefits that this parcel offers.

We urge the Damage Program contribute the requested \$400,000 toward this acquisition project.

Sincerely,

Greg L. Munther, Chairman

RECEIVED

JUL 17 2013

NATURAL RESOURCE
DAMAGE PROGRAM



In Reply Refer To:

1510 (MTB010)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
 Missoula Field Office
 3255 Fort Missoula Road
 Missoula, Montana 59804-7204
<http://www.blm.gov/mt>



JUL 17 2013

Carol Fox, Restoration Program Chief
 Natural Resource Damage Program
 P.O. Box 201425
 Helena, MT 59620-1425

RE: NRDP Funding for the Confluence Project at Rock Creek

Dear Ms. Fox:

I am writing on behalf of the Bureau of Land Management to voice support for the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council. The BLM is in support of this project because it provides ecosystem services such as wildlife habitat and connectivity between protected lands and habitats on either side of the Rock Creek Valley, along with the potential for new recreational opportunities for fishing, hiking, and wildlife viewing only a short distance from Missoula. In addition, it would provide the public with an access route to nearby BLM and USFS lands for passive recreation opportunities.

The agency believes this is an important property to protect, and appreciates Five Valleys Land Trust working to acquire the property. Their accomplishments throughout western Montana continue to be a model for bridging public and private land concerns to address resource issues and restoration. We endorse this project and encourage your approval.

Thank you for your time and consideration.

Sincerely,

FOR Richard J. Torquemada
 Field Manager

cc: Lewis Cogan, FVLT

RECEIVED

JUL 17 2013

NATURAL RESOURCE
 DAMAGE PROGRAM

Coleman, Kathleen

From: Robert Rembert <bob@jjapop.com>
Sent: Thursday, July 18, 2013 2:56 PM
To: Natural Resource Damage Program
Subject: NRDP Funding for the Confluence Project at Rock Creek

Dear Ms. Fox:

I am a home owner on Rock Creek and a long time supporter of Five Valleys Land Trust.

I am writing to voice my support for the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council.

I am in support of this project because it protects riparian habitat from subdivision and insures protected habitat for deer and elk, native trout, and many riparian bird species.

Thank you for your time and consideration.

Sincerely, Robert Rembert
15 Roblyn Rd.
Clinton, MT 59825



United States
Department of
Agriculture

Forest
Service

Lolo National Forest
Missoula Ranger District

Building 24-A, Fort Missoula
Missoula, MT 59804-7297
406 329-3750

File Code: 5420

Date: July 18, 2013

Carol Fox
Restoration Program Chief
Natural Resource Damage Program
P. O. Box 201425
Helena, MT 59620-1425

RECEIVED

JUL 22 2013

NATURAL RESOURCE
DAMAGE PROGRAM

Dear Ms. Fox:

I am writing on behalf of the Missoula Ranger District, Lolo National Forest to voice support for the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council. The Missoula Ranger District is in support of this project because it:

- Preserves, restores and permanently protects the confluence of Western Montana's premier blue ribbon trout stream.
- Restores and protects a stream vitally important to preserving and restoring bull trout in the Clark Fork River watershed. Rock Creek is the eastern most stronghold for bull trout and west slope cutthroat trout in the Clark Fork watershed and is the largest cold water source and population of bull trout in eastern Clark Fork River.
- Restores the natural beauty and creates a dramatic initial impression to visitors and residents entering the Rock Creek Recreation Area.
- Provides new recreational opportunities for fishing, hiking, and wildlife viewing only a short distance from Missoula
- Provides the public with an access route to nearby USFS lands for natural undeveloped recreation opportunities

Rock Creek is a special place; the creek has been recognized as a blue ribbon trout fishery for decades. The watershed has been given its own specific management direction in both the Lolo and Beaverhead Deerlodge Nation Forest Plans since the mid 1980's. Protection of this property is a priority for the district, but the district is not in a position to acquire or manage the property at this time. The Forest Service appreciates Five Valleys Land Trust working to acquire, restore and protect the property. Thank you for your time and consideration.

Sincerely,

PAUL K. MATTER
District Ranger

cc: Lewis Kogan



FIVE VALLEYS AUDUBON SOCIETY
P.O. BOX 8425
MISSOULA, MT 59807



July 23, 2013

Carol Fox, Restoration Program Chief
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

RE: NRDP Funding for the Confluence Project at Rock Creek

Dear Ms. Fox:

We are writing to support the funding of \$400,000 for the Confluence Project located where Rock Creek joins the Clark Fork River east of Missoula. This project will protect significant wildlife values and offer an excellent opportunity for conservation education.

The riparian habitat found along the substantial stretch of creek and river bottom supports a mixture of vegetation including old growth cottonwood, river birch and a variety of shrubs that are important to many species of birds. A variety of ecological niches exist where the riparian zone meets the adjoining conifer forest and grassland. Both resident and migrant birds will utilize the varied habitats in this area. Neotropical migrant songbirds that can be expected to breed here include Calliope Hummingbird, Warbling Vireo, Yellow Warbler, McGillivray's Warbler, American Redstart, Swainson's Thrush, Gray Catbird, Lazuli Bunting, Spotted Towhee, and Bullock's Oriole.

Another significant wildlife value protected by this project is the connectivity between other adjoining protected lands, at both high and low elevations, and the mouth of Rock Creek.

One of the major goals of the Audubon Society is to provide environmental education for people of all ages. We believe that the Confluence Project will provide a wonderful opportunity for outdoor learning to occur, which includes observing nature and participating in restoration activities.

We urge you to support the Confluence Project as it is proposed. It will be a significant investment having public benefits. Thank you for considering this.

Sincerely,

Pat Little, President

July 21, 2013

Carol Fox, Restoration Program Chief

Natural Resource Damage Program

P. O. Box 201425

Helena, MT 59620-1425

RE: NRDP Funding for the Confluence Project at Rock Creek

RECEIVED

JUL 25 2013

NATURAL RESOURCE
DAMAGE PROGRAM

Dear Ms. Fox:

We are writing to show our support for the Confluence Project at Rock Creek. As you know, this is currently being considered by the Natural Resource Damage Program Citizen Advisory Council and the Trustee Restoration Council.

We feel the items listed below are excellent reasons for completing this venture.

- 1) We now have a tremendous opportunity to protect the land and protect and enhance the natural habitat of that location.
- 2) It protects the hydrological integrity of the Clark Fork River at the mouth of Rock Creek.
- 3) Rock Creek area is a beautiful, scenic location. We need to protect this important recreation corridor.
- 4) The recreational and educational opportunities that are present now may never be available again. We need to act while it is possible to complete the endeavor and protect Rock Creek forever.
- 5) All of the items listed above are excellent reasons for completing this venture. We can accomplish this with your help. Most worthwhile is the fact that it protects the area from subdivision and therefore protects the wildlife, the natural beauty of the corridor, and the intended integrity of the area.

Thank you for your careful study and support of this issue.

Sincerely,

Bill Hammer
Lois Hammer

Bill and Lois Hammer

1023 Rock Creek Rd
Clinton, MT 59825

July 23, 2013

Carol Fox, Restoration Program Chief
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

RECEIVED

JUL 25 2013

NATURAL RESOURCE
DAMAGE PROGRAM

RE: NRDP Funding for the Confluence Project at Rock Creek

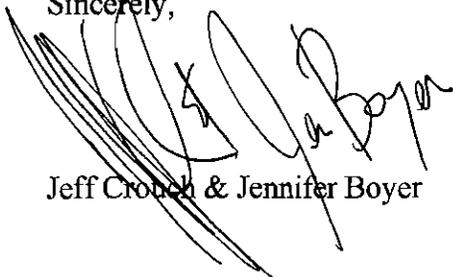
Dear Ms. Fox:

We are writing to voice our support for the Confluence Project at Rock Creek, which is currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council. We are in support of this project because it protects the scenic gateway to an important recreation corridor, provides new recreational opportunities for fishing; hiking; and wildlife viewing, and provides educational opportunities for students.

We appreciate your support for this project.

Thank you for your time and consideration.

Sincerely,

Handwritten signatures of Jeff Crouch and Jennifer Boyer. The signature of Jeff Crouch is on the left, and the signature of Jennifer Boyer is on the right. Both signatures are in black ink and are somewhat stylized.

Jeff Crouch & Jennifer Boyer

BCC 2013-123
July 24, 2013**RECEIVED**PHONE: (406) 258-4877
FAX: (406) 721-4043Carol Fox, Restoration Program Chief
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

JUL 29 2013

NATURAL RESOURCE
DAMAGE PROGRAM**RE: NRDP FUNDING FOR THE CONFLUENCE PROJECT AT ROCK CREEK**

Dear Ms. Fox:

We are writing to voice our support for the Confluence Project at Rock Creek, currently under consideration by the Natural Resource Damage Program Citizen Advisory Council and Trustee Restoration Council. We support this project because it permanently protects lands and habitats at the mouth of the Rock Creek watershed. Missoula County has already contributed \$400,000 in open space bond funds, which further underscores the importance of this project to us.

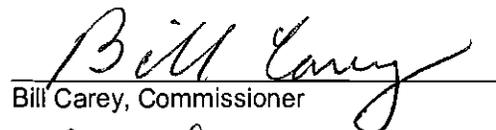
The Rock Creek Confluence Project area is key wildlife habitat for both aquatic and terrestrial species. The mouth of the creek is important for trout movement upstream and nearly 15 *Montana Species of Concern* inhabit the region around the confluence. Additionally, this watershed contains areas critical to terrestrial wildlife connectivity, allowing movement between ecosystems. Rock Creek is a well-known blue ribbon trout fishery and this project also protects the gateway to this important recreational and economic resource.

The requested funding would contribute to an already successful and active restoration project. Since purchase, Five Valleys Land Trust and their project partners have started restoration activities, such as willow plantings, weed treatments, trash and wildlife hazard removal, and creation of a public fishing access site.

We look forward to the contributions this project can make to the conservation of critical natural resources in our county. Missoula County strongly encourages funding of this project. If you have any questions, please feel free to contact Missoula County Community and Planning Services at (406) 258-3432.

Sincerely,
BOARD OF COUNTY COMMISSIONERS


Michele Landquist, Chair



Bill Carey, Commissioner



Jean Curtiss, Commissioner

BCC/ppr

cc: Pat O'Herren, CAPS Director
Nancy Heil, CAPS Senior Planner
Peter Nielsen, Environmental Health

NRDP Funding Recommendation Drummond Riverside Park September 2013

Background and Project Summary

In June 2012, the Drummond Kiwanis Club submitted a restoration concept abstract (Attachment A) for partial funding of up to \$100,000 from the Natural Resource Damage Program (NRDP) for acquisition of a 38 acre “Property” located next to the Clark Fork River near Drummond and development of recreational trails and other public access features. 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 Aquatic and Terrestrial Resources Restoration Plans* (“*Final Restoration Plans*”). A map depicting the Property and surrounding area is provided in Attachment B. Through its ownership and management of the Property, the Drummond Kiwanis seeks to preserve the natural floodplain of the Clark Fork River, including natural wetlands, and provide for public recreation access.

This project is being considered for funding as a proposed restoration action for both the Clark Fork main-stem aquatic priority area and terrestrial priority landscape area, with a 50%/50% terrestrial/aquatic funding split.¹ As indicated in the *Final Restoration Plans*:²

- Funding of individual projects within aquatic priority areas and terrestrial priority landscapes will be based on cost-effectiveness and cost:benefit, rather than on concept proposal estimates; and
- Each project involving property and/or water rights acquisitions will require a subsequent approval of the proposed transaction, once fully developed in accordance with the plans, by the Trustee following consideration of input from the public, Advisory Council, and Trustee Restoration Council.

This document provides the NRDP’s funding evaluation and recommendation that will be the subject of a 30-day public comment period that will begin on **Thursday, September 12, 2013** and end on **Friday, October 11, 2013**. The two indicated councils will consider the NRDP’s recommendation and public comment in making their funding recommendation to the Governor, who will make the final funding decision.

A buy/sell agreement is being executed between the Drummond Kiwanis Club and the owner of said Property, Cy Corlett, in the amount of \$50,000, which is the appraised value of the Property. The Drummond Kiwanis Club intends to own the Property and construct an entrance roadway, parking area, natural trail, and signage for an additional \$35,300 (details of this budget provided in Attachment A) for a total project cost of \$85,300. If the project is approved by the Governor, a land use agreement will be included in the final contract between NRDP and Drummond

¹ See pages 5-4 and 5-5, and Table 6-1 of the *Final Restoration Plans*.

² See page 6-2 of the *Final Restoration Plans*.

Kiwanis Club. This agreement will provide, among other things, public access and use of the Property.

NRDP Funding Recommendation Summary

The NRDP recommends this project be funded for a total of \$85,300, subject to the following funding conditions and subsequent NRDP approvals.

- 1) A mineral guarantee and title commitment will need to be approved by NRDP.
- 2) Recordation and NRDP approval of a property survey, as well as subsequent NRDP approval of a revision to the title report to reflect the survey's Property description.
- 3) NRDP approval of an option agreement between the Kiwanis Club and NorthWestern Corporation providing vehicular access through NorthWestern land to the Property, which will be drafted and exercised upon closing.
- 4) A Land Use Agreement is to be included in the funding contract between the Kiwanis Club and the NRDP. Terms of this agreement, among other things, will include public use of the property.
- 5) A Management Plan will also be developed and agreed upon that will detail the required maintenance on the Property, such as weed control. Pursuant to a funding condition in the 2012 *Final Restoration Plans*, FWP would be involved in development of this management plan.
- 6) A funding contract provision will preclude the Kiwanis Club from selling the Property to anyone other than a public or non-profit entity, and any such sale must provide for the continuance of the same public land use.
- 7) A funding contract provision will also provide for the possibility that the Kiwanis Club may cease to exist or become bankrupt in the future.
- 8) That the funding and land use agreements are recorded at closing.

If the Governor approves the project funding, these conditions in the above-described agreements would be finalized prior to transmittal of funds. The NRDP and Drummond Kiwanis Club have discussed these conditions and the Drummond Kiwanis Club has indicated general acceptance. The planned schedule for completion of the funding agreement is by the end of 2013, although the Parties will make a good faith effort to complete the funding and management agreements before then.

Land Acquisition Due Diligence Summary

All the needed land transaction due diligence required by the NRDP is complete or in the process of completion. A survey, title work (warranty deed, preliminary title insurance commitment), an appraisal, and a buy/sell agreement between the landowner and Drummond Kiwanis Club have been completed and all found acceptable by the NRDP. An environmental property assessment

is underway. A Mineral Right Guarantee has been completed and is being reviewed by NRDP. It appears in the Mineral Right Guarantee that the United States Government may own the mineral rights and would therefore retain the mineral rights. If there is an issue with any outstanding due diligence documents, the funding recommendation may change.

Preliminary title work completed in May 2013 indicated the lack of legal vehicular access, but no other significant problems. A summary appraisal report of the Property concluded a fair market value of \$50,000 for 31.99 acres, or \$1,563/acre. The appraisal, which was completed in May 2013, considered the lack of legal vehicular access to the Property. The Drummond Kiwanis Club intends to obtain an option agreement with the NorthWestern Corporation prior to closing that will provide for legal vehicular access. A land management representative for NorthWestern has indicated the corporation's willingness to execute such an option agreement.

The current owner of the Property will convey all water rights associated with the Property. There are two water rights associated with the Property, based on DNRC water rights records:³ an irrigation water right for flood irrigation with a maximum flow rate of 612 gallons per minute and a stock water right with maximum flow rate of 40 gallons per minute. Given the 1937 priority date of these rights, they are unlikely to offer any resource benefits in terms of potential instream flow augmentation.

If the mineral rights evaluation indicates the current landowner owns the mineral rights, then these rights will also be conveyed to Drummond Kiwanis Club upon closing.

Project Evaluation

Public Access: This acquisition is expected to provide permanent public access to the entire Property, under management guidelines designed to protect the Property's natural resources. The Drummond Kiwanis Club is currently seeking to obtain an option from Northwestern Corporation that can be exercised upon closing, which will provide public access to the Property. This access is an integral part of this project.

- ✓ After legal access is obtained to the property, an entrance roadway and parking area will be constructed.
- ✓ A single trail inside the circumference of the Property with several side trails is contemplated.
- ✓ Riverbank fishing access to the Clark Fork River will be available.
- ✓ The site will also provide wildlife viewing opportunities.
- ✓ Protection of riparian habitat and over ½ mile of access of the Clark Fork River will be available.

Costs:Benefit Relationship: The Drummond Kiwanis Club's abstract (Attachment A) and FWP's resource evaluation (Attachment B) describe the natural resource and public recreational

³ The DRNC claim number for these water rights are 76G 9752 00 and 46G 9752 00.

benefits of this project, including natural wetlands and river bank fishing access. The Kiwanis' goal is to create a riverside park for protection of natural resources and public enjoyment near the Town of Drummond. The project would provide significant value to the fisheries of the Clark Fork River through the protection of over a mile of river and riparian habitat. Numerous wildlife species have been observed on or near the site, including raptors such as bald eagles, song birds, white-tailed deer, beaver, geese, and blue herons. Its proximity to Drummond and the presence of a great blue heron rookery make it a good site for wildlife viewing. An osprey nest is located on a pole along the abandoned rail bed to the north of the Property. In addition, the wetlands adjoining the Property enhance the value of the site and provides home to many species.

The location of an FWP Fishing Access Site immediately across the river and upstream from this Property would provide additional access, particularly during higher flow conditions, by allowing anglers access to the stream bank. Given these benefits and the reasonable purchase price of \$50,000, the NRDP considers the project to have a favorable cost:benefit relationship.

Cost-Effectiveness: The *Final Restoration Plans* indicate that the NRDP will use a cost-effectiveness evaluation to judge whether a project accomplishes its goals in the least costly way possible, or if there is a better alternative. In its abstract (Attachment A), the Drummond Kiwanis Club adequately justifies the reasons for and benefits that would be obtained through this purchase. The Kiwanis state that this purchase “would provide for river bank fishing access on the Clark Fork River, including natural wetlands and serve as a recreational amenity for the community of Drummond and surrounding region.” The Drummond Kiwanis Club has committed to the funding conditions set forth above and that, with the purchase the Property, the area will be protected from development and provide for public access. The NRDP believes with these conditions being met, this acquisition will cost-effectively accomplish the project goals.

Public Support: The NRDP received twenty (20) comment letters expressing general support for funding and development of the Drummond Riverside Park during the public comment period in fall 2012 on the *Draft Upper Clark Fork River Basin (UCFRB) Aquatic and Terrestrial Resources*.

Following the conclusion of the 30-day public comment period on this document, the NRDP will provide the public comments and the NRDP's draft response to public comments document to the Advisory Council and Trustee Restoration Council before these councils determine their funding recommendations on this project.

Conclusion: NRDP recommends \$85,300 be used to fund the Drummond Kiwanis Club for the Property acquisition (\$50,000) and development of recreational access features (\$35,300), with project costs to be split 50/50 between the Aquatic Priority Account and Terrestrial Priority Account, subject to the specified funding conditions herein (see p. 2). While the specifics and timing of the funding, land use, and management agreements remain to be determined, the NRDP believes finalization could occur by December 31, 2013.

Upper Clark Fork River Basin Restoration Fund Status Report

Fiscal Year 2013, 4th Quarter

Prepared by Kathy Coleman, NRDP

August 2013



	Restoration Fund 08102	Butte Area One / 08219	Clark Fork River 08221	Smelter Hill 08222	CFR Reserve Fund 08101	East Helena Settlement 08231
FY 13 Fund Balance	\$144,029,069.72	\$33,083,422.33	\$32,362,656.39	\$11,911,037.21	\$15,988,748.68	\$5,707,375.85
4th Quarter Revenue	2,531,560.43	320,149.55	358,681.47	78,427.49	274,834.99	-34,209.04
4th Quarter Expenses	-8,670,155.05	-298,000.69	-146,463.23	-924,223.68		-30,756.15
Fund Balance (Market)	\$137,890,475.10	\$33,105,571.19	\$32,574,874.63	\$11,065,241.02	\$16,263,583.67	\$5,642,410.66

	Beginning Balance	Expended	Remaining	Budget Not Spent
Encumbered Projects	\$26,746,331.76	\$26,746,331.76		
Grants expended	\$7,042,678.60	\$24,209,115.48	\$7,042,678.60	\$1,828,928.64
DOI Wetlands expended	-\$0.87	\$2,414,151.33	-\$0.87	\$2,414,152.20
Milltown expended	\$105,013.90	\$123,064.95	\$105,013.90	\$18,051.05
Total Encumbered Funds Spent	\$7,147,691.63			
Total Remaining Encumbered	\$19,598,640.13			
Money not spent on closed out grants	-\$1,828,928.64			
Total Remaining Encumbered with unspent grant funds.	\$17,769,711.49			
Misc.(140)	\$30,749.71			
Total Spent	\$7,178,441.34			

10140 is a reimbursed by DEQ

Money not spent on closed out grant projects

Remaining Grant funds encumbered

NEW FUNDS	
Starting balance for A/T/GW breakdown	\$117,282,738.00
Aquatic Expenses	\$667,242.58
Terrestrial Expenses	\$336,062.85
Butte GW Expenses	\$232,366.66
Anaconda GW Expenses	\$256,041.62
Total Exenpses	\$1,491,713.71
Check on total expenses	\$8,670,155.05

BOI as of 6/30/13

<u>MU</u>	<u>Cusip</u>	<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Shares</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Rpt Date</u>
MU21	8989909G3	TRUST FUNDS BOND POOL	NA	NA	118,337,396	114,862,683	124,334,635	06/30/13
MU21	8259909A4	SHORT TERM INVESTMEN	NA	NA	10,972,964	10,972,964	10,972,964	06/30/13
UCFRB RESTORATION					129,310,360	125,835,647	135,307,599	

Org	Project	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10300	Groundwater-Butte		114.80	232,366.66	(232,251.86)
	EDUCATION EDUCATION		0.00	107,116.92	(107,116.92)
		{62000 Operating Expenses	0.00	107,116.92	(107,116.92)
	GENERAL ADMIN General Administration		114.80	65,672.28	(65,557.48)
		{520000 Charges For Services	114.80	0.00	114.80
		{61000 Personal Services	0.00	30,212.75	(30,212.75)
		{62000 Operating Expenses	0.00	35,459.53	(35,459.53)
	(blank)		0.00	59,577.46	(59,577.46)
		{61000 Personal Services	0.00	57,864.58	(57,864.58)
		{62000 Operating Expenses	0.00	1,712.88	(1,712.88)
Grand Total			114.80	232,366.66	(232,251.86)

Org	Project	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10301	Groundwater-Anaconda		38.27	256,041.62	(256,003.35)
	ANACONDA GROUND Anaconda Groundwater		0.00	(283.43)	283.43
		{61000 Personal Services	0.00	(283.43)	283.43
		{62000 Operating Expenses	0.00	0.00	0.00
	BUTTE GROUND Butte Groundwater		0.00	(5.36)	5.36
		{61000 Personal Services	0.00	(5.36)	5.36
		{62000 Operating Expenses	0.00	0.00	(0.00)
	EDUCATION EDUCATION		0.00	35,705.65	(35,705.65)
		{62000 Operating Expenses	0.00	35,705.65	(35,705.65)
	GENERAL ADMIN General Administration		38.27	21,830.15	(21,791.88)
		{520000 Charges For Services	38.27	0.00	38.27
		{61000 Personal Services	0.00	10,010.29	(10,010.29)
		{62000 Operating Expenses	0.00	11,819.86	(11,819.86)
	(blank)		0.00	198,794.61	(198,794.61)
		{61000 Personal Services	0.00	16,565.22	(16,565.22)
		{62000 Operating Expenses	0.00	182,229.39	(182,229.39)
Grand Total			38.27	256,041.62	(256,003.35)

Org	Project	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10302	Aquatics		165.83	667,242.58	(667,076.75)
	CFR MEADOWS NRD CFR Meadows		0.00	3,505.58	(3,505.58)
		{62000 Operating Expenses	0.00	3,505.58	(3,505.58)
	DRUMMOND PARK NRD Drummond Park/Riverside Pk		0.00	3,282.55	(3,282.55)
		{62000 Operating Expenses	0.00	3,282.55	(3,282.55)
	EDUCATION EDUCATION		0.00	154,724.39	(154,724.39)
		{62000 Operating Expenses	0.00	154,724.39	(154,724.39)
	GENERAL ADMIN General Administration		165.83	94,024.02	(93,858.19)
		{520000 Charges For Services	165.83	0.00	165.83
		{61000 Personal Services	0.00	42,805.57	(42,805.57)
		{62000 Operating Expenses	0.00	51,218.45	(51,218.45)
	MILLTOWN 72/25 Aquatic/Terr Project Mil		0.00	78,850.07	(78,850.07)
		{61000 Personal Services	0.00	27,556.08	(27,556.08)
		{62000 Operating Expenses	0.00	51,293.99	(51,293.99)
	MILLTOWN MONTOR NRD Milltown Monitoring		0.00	5,904.57	(5,904.57)
		{62000 Operating Expenses	0.00	5,904.57	(5,904.57)
	WASHOE HAF DAM NRD Washoe Hafner Dam Parks		0.00	14,999.99	(14,999.99)
		{62000 Operating Expenses	0.00	14,999.99	(14,999.99)
	(blank)		0.00	311,951.41	(311,951.41)
		{61000 Personal Services	0.00	184,908.73	(184,908.73)
		{62000 Operating Expenses	0.00	112,846.68	(112,846.68)
		{63000 Equipment & Intangible A	0.00	14,196.00	(14,196.00)
Grand Total			165.83	667,242.58	(667,076.75)

Org	Project	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10303	Terrestrial		106.30	336,062.85	(335,956.55)
	CFR MAINSTEM TE NRD CFR Mainstem Terrestrial		0.00	250.00	(250.00)
		{62000 Operating Expenses	0.00	250.00	(250.00)
	CFR MEADOWS NRD CFR Meadows		0.00	3,505.59	(3,505.59)
		{62000 Operating Expenses	0.00	3,505.59	(3,505.59)
	DRUMMOND PARK NRD Drummond Park/Riverside Pk		0.00	3,282.56	(3,282.56)
		{62000 Operating Expenses	0.00	3,282.56	(3,282.56)
	EDUCATION EDUCATION		0.00	99,182.33	(99,182.33)
		{62000 Operating Expenses	0.00	99,182.33	(99,182.33)
	GENERAL ADMIN General Administration		106.30	60,272.19	(60,165.89)
		{520000 Charges For Services	106.30	0.00	106.30
		{61000 Personal Services	0.00	27,439.33	(27,439.33)
		{62000 Operating Expenses	0.00	32,832.86	(32,832.86)
	MILLTOWN 72/25 Aquatic/Terr Project Mil		0.00	26,093.20	(26,093.20)
		{61000 Personal Services	0.00	8,995.22	(8,995.22)
		{62000 Operating Expenses	0.00	17,097.98	(17,097.98)
	MILLTOWN MONTOR NRD Milltown Monitoring		0.00	1,968.19	(1,968.19)
		{62000 Operating Expenses	0.00	1,968.19	(1,968.19)
	WASHOE HAF DAM NRD Washoe Hafner Dam Parks		0.00	15,000.01	(15,000.01)
		{62000 Operating Expenses	0.00	15,000.01	(15,000.01)
	(blank)		0.00	126,508.78	(126,508.78)
		{61000 Personal Services	0.00	106,038.94	(106,038.94)
		{62000 Operating Expenses	0.00	6,273.84	(6,273.84)
		{63000 Equipment & Intangible A	0.00	14,196.00	(14,196.00)
Grand Total			106.30	336,062.85	(335,956.55)

Aquatic and Terrestrial Project Breakdown

CFR Meadows (17) 50% Aquatic 50% Terr

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10302 Aquatics		0.00	3,505.58	(3,505.58)
	62000 Operating Expenses	0.00	3,505.58	(3,505.58)
10303 Terrestrial		0.00	3,505.59	(3,505.59)
	62000 Operating Expenses	0.00	3,505.59	(3,505.59)
Grand Total		0.00	7,011.17	(7,011.17)

CLARK FORK MAINSTEM TERR (34) 100% Terrestrial

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10303 Terrestrial		0.00	250.00	(250.00)
	62000 Operating Expenses	0.00	250.00	(250.00)
Grand Total		0.00	250.00	(250.00)

Drummond Park (40) 50% Aquatic 50% Terr

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10302 Aquatics		0.00	3,282.55	(3,282.55)
	62000 Operating Expenses	0.00	3,282.55	(3,282.55)
10303 Terrestrial		0.00	3,282.56	(3,282.56)
	62000 Operating Expenses	0.00	3,282.56	(3,282.56)
Grand Total		0.00	6,565.11	(6,565.11)

Washoe / Hafner (41) 50% Aquatic 50% Terr

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10302 Aquatics		0.00	14,999.99	(14,999.99)
	62000 Operating Expenses	0.00	14,999.99	(14,999.99)
10303 Terrestrial		0.00	15,000.01	(15,000.01)
	62000 Operating Expenses	0.00	15,000.01	(15,000.01)
Grand Total		0.00	30,000.00	(30,000.00)

EDUCATION 39% Aquatics 36% Groundwater 25% Terrestrial

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10300 Groundwater-Butte		0.00	107,116.92	(107,116.92)
	62000 Operating Expenses	0.00	107,116.92	(107,116.92)
10301 Groundwater-Anaconda		0.00	35,705.65	(35,705.65)
	62000 Operating Expenses	0.00	35,705.65	(35,705.65)
10302 Aquatics		0.00	154,724.39	(154,724.39)
	62000 Operating Expenses	0.00	154,724.39	(154,724.39)
10303 Terrestrial		0.00	99,182.33	(99,182.33)
	62000 Operating Expenses	0.00	99,182.33	(99,182.33)
Grand Total		0.00	396,729.29	(396,729.29)

GEN ADMIN 39% Aquatics 36% Groundwater 25% Terrestrial

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10300	Groundwater-Butte	114.80	65,672.28	(65,557.48)
	520000 Charges For Services	114.80	0.00	114.80
	61000 Personal Services	0.00	30,212.75	(30,212.75)
	62000 Operating Expenses	0.00	35,459.53	(35,459.53)
10301	Groundwater-Anaconda	38.27	21,830.15	(21,791.88)
	520000 Charges For Services	38.27	0.00	38.27
	61000 Personal Services	0.00	10,010.29	(10,010.29)
	62000 Operating Expenses	0.00	11,819.86	(11,819.86)
10302	Aquatics	165.83	94,024.02	(93,858.19)
	520000 Charges For Services	165.83	0.00	165.83
	61000 Personal Services	0.00	42,805.57	(42,805.57)
	62000 Operating Expenses	0.00	51,218.45	(51,218.45)
10303	Terrestrial	106.30	60,272.19	(60,165.89)
	520000 Charges For Services	106.30	0.00	106.30
	61000 Personal Services	0.00	27,439.33	(27,439.33)
	62000 Operating Expenses	0.00	32,832.86	(32,832.86)
Grand Total		425.20	241,798.64	(241,373.44)

Milltown 75% Aquatics / 25% Terrestrial

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10288	Milltown Supplemental	0.00	0.00	0.00
	62000 Operating Expenses	0.00	0.00	0.00
10302	Aquatics	0.00	78,850.07	(78,850.07)
	61000 Personal Services	0.00	27,556.08	(27,556.08)
	62000 Operating Expenses	0.00	51,293.99	(51,293.99)
10303	Terrestrial	0.00	26,093.20	(26,093.20)
	61000 Personal Services	0.00	8,995.22	(8,995.22)
	62000 Operating Expenses	0.00	17,097.98	(17,097.98)
Grand Total		0.00	104,943.27	(104,943.27)

Milltown Monitoring (16) 75% Aquatics / 25% Terrestrial

Org	Acct Lvl 1	Revenues	Expenditures	Rev less Exp
10302	Aquatics	0.00	5,904.57	(5,904.57)
	62000 Operating Expenses	0.00	5,904.57	(5,904.57)
10303	Terrestrial	0.00	1,968.19	(1,968.19)
	62000 Operating Expenses	0.00	1,968.19	(1,968.19)
Grand Total		0.00	7,872.76	(7,872.76)

NRDP PROJECTS FUNDED THROUGH 7/1/11 (Includes 2010 grants approved by the Gov. in June 2011)

Project	Year Funded	Amount Approved	Amount Expended	Amount to be spent	Type	Status
Anaconda Deer Lodge County						
Anaconda Water Studies	2007	\$107,771.00	\$92,758.95	\$0.00	water supply	completed
Anaconda Water Line	2002-2010	\$13,598,044.00	\$10,763,665.75	\$543,711.19	water supply	Years 1-8 complete; Year 9 complete, close out pending
Blue Eyed Nellie Moore Acquisition	2009	\$142,500.00	\$142,173.60	\$326.40	acquisition	acquisition complete; 5 year O&M on going
Developing Acid/Heavy Metal Tolerant Releases	2000, 2004, 2010	\$672,644.00	\$416,649.87	\$252,279.00	research	2000 & 2004 grants completed; 2010 grant ongoing
Dry Cottonwood Creek Ranch PDG	2009	\$23,150.00	\$23,150.00	\$0.00	flow assessment	completed
Hefner Dam PDG	2010	\$24,750.00	\$24,750.00	\$0.00	recreation	completed
Instream Flow Protection PDG	2009	\$25,000.00	\$20,887.79	\$0.00	flow assessment	completed
Lost Creek Watershed	2000	\$518,382.00	\$518,382.00	\$0.00	stream restoration	completed
Meyers Dam PDG	2002	\$11,710.00	\$11,709.85	\$0.00	fish passage	completed
Opportunity Groundwater Injury Assesment PDG	2001	\$309,268.00	\$77,273.39	\$0.00	water supply	completed
Stuart Mill Bay Acquisition	2002	\$2,000,000.00	\$1,998,838.88	\$0.00	acquisition	completed
Stucky Ridge / Jamison	2008	\$265,335.00	\$265,300.00	\$0.00	acquisition	completed
Twin Lakes Diversion PDG	2002	\$11,056.00	\$11,056.61	\$0.00	fish passage	completed
Warm Springs Pond Improvements	2008, 2009	\$97,577.00	\$75,904.38	\$21,142.81	recreation	2008 grant completed; 2009 close out pending
Washoe Park PDG	2010	\$25,000.00	\$24,977.50	\$0.00	recreation	completed
Watershed Land Acquisition	2000, 2001	\$5,831,904.00	\$5,831,597.91	\$0.00	acquisition	completed
West Side Ditch and Flow Study	2008, 2010	\$50,000.00	\$47,660.34	\$0.00	flow assessment	completed
Totals		\$23,714,091.00	\$20,346,736.82	\$817,459.40		
Granite County						
Antelope Creek	2001	\$10,000.00	\$8,675.65	\$0.00	stream restoration	completed
Douglas Creek PDG	2001, 2004	\$35,000.00	\$16,135.95	\$0.00	recreation	completed
Flint Creek	2006	\$7,000.00	\$7,000.00	\$0.00	flow assessment	completed
Limestone Ridge PDG	2009	\$22,589.00	\$13,939.00	\$0.00	acquisition	completed
Peterson Ranch Conservation Easement	2009	\$334,125.00	\$294,000.00	\$0.00	acquisition	completed
Restoring Fish in East Fork Rock Creek	2009	\$370,000.00	\$209,754.69	\$160,245.31	fish passage	ongoing
State of Georgetown Lake	2007, 2008	\$114,985.00	\$63,323.30	\$51,661.70	assessment	PDG complete: 2008 grant completed and close out pending
Upper Willow Creek Restoration	2002, 2003	\$307,758.00	\$301,610.00	\$0.00	stream restoration	completed
Z-4 Easement	2000	\$10,000.00	\$10,295.60	\$0.00	acquisition	completed
Totals		\$1,211,457.00	\$924,734.19	\$211,907.01		
Missoula County						
Bird Banding Education	2006, 2009	\$124,995.00	\$124,948.99	\$0.00	education	completed
Bonner Pedestrian Bridge	2006	\$975,652.00	\$975,652.00	\$0.00	recreation	completed
Madsen Easement PDG	2006	\$25,000.00	\$25,000.00	\$0.00	acquisition	completed
Milltown Bridge Pier and Log Removal	2009	\$262,177.00	\$247,178.05	\$14,998.95	stream restoration	on going
Milltown Education PDG	2006	\$23,914.00	\$23,914.00	\$0.00	education	completed
Milltown Land Acquisition	2006, 2008	\$595,628.00	\$586,200.00	\$0.00	acquisition	completed
Milltown Sediment Removal	2006, 2007	\$2,819,072.00	\$2,818,531.93	\$0.00	stream restoration	completed
Milltown/Two Rivers Recreational Facilities and Access	2009	\$2,663,749.00	\$1,194,069.90	\$1,469,679.10	recreation	3 of 4 parcels acquired; park development ongoing
Osprey PDG	2008	\$25,000.00	\$24,998.83	\$0.00	research	completed
U of M Database	2000	\$9,550.00	\$4,357.52	\$0.00	research	completed
Total		\$7,524,737.00	\$6,024,851.22	\$1,484,678.05		

Project	Year Funded	Amount Approved	Amount Expended	Amount to be spent	Type	Status
Powell County						
2008 Cottonwood Creek Flow Study PDG	2008	\$90,377.00	\$84,785.26	\$0.00	flow assessment	completed
2010 Cottonwood Creek	2010	\$289,647.00	\$229,901.23	\$59,745.77	flow augmentation watershed	on going
East Deer Lodge Valley	2001, 2003	\$544,751.00	\$424,013.11	\$0.00	improvements	completed
Garrison Trails PDG	2008	\$24,974.00	\$4,605.00	\$0.00	recreation	discontinued
Johnson / Cottonwood Creek Trail	2006, 2007	\$633,015.00	\$554,685.29	\$78,329.71	recreation	2006 PDG completed; 2007 grant on going
Little Blackfoot River	2002, 2003, 2006	\$266,044.00	\$265,299.85	\$0.00	stream restoration	2002, 2003, 2006 completed
Little Blackfoot Flow Study (Middle)	2006	\$25,000.00	\$25,000.00	\$0.00	flow assessment	completed
Lower Little Blackfoot Flow Study	2007	\$25,000.00	\$24,102.22	\$0.00	flow assessment	completed
Manley Conservation Easement	2000	\$608,048.00	\$608,048.00	\$0.00	acquisition	completed
Otter Distribution	2009	\$26,456.58	\$26,151.09	\$0.00	research	completed
Paracini Pond	2008, 2009	\$1,201,905.00	\$1,174,842.83	\$24,062.17	acquisition	acquisition complete; O&M on going
Racetrack Creek Flow Restoration	2010	\$500,000.00	\$245,500.00	\$0.00	flow	acquisition complete; change of use on going
Spotted Dog	2010	\$16,574,009.00	\$15,785,404.56	\$788,604.44	acquisition	acquisition completed; O&M on going
Vanisko PDG	2007	\$20,140.00	\$18,140.00	\$0.00	acquisition	completed
Totals		\$20,829,366.58	\$19,470,478.44	\$950,742.09		
Silver Bow County						
Basin Dam Rehabilitation	2003	\$503,006.00	\$503,006.00	\$0.00	water supply	completed
Basin Wide Wetland Riparian Mapping	2006	\$71,400.00	\$71,395.67	\$0.00	assessment	completed
Big Butte Acquisition	2004, 2005	\$687,842.00	\$581,180.15	\$106,661.85	acquisition	majority of parcels acquired; other work on-going
Big Hole Diversion Dam Replacement	2008	\$3,714,833.00	\$3,553,575.94	\$0.00	water supply	completed
Big Hole River Pump Station Replacement	2010	\$3,500,000.00	\$3,500,000.01	-\$0.01	water supply	completed
Big Hole Transmission Line	2007-2010	\$8,721,882.00	\$7,931,162.82	\$0.00	water supply	years 1- 4 completed; year 4 close out pending
Bighorn Reach A Reveg	2000	\$110,800.00	\$81,201.24	\$0.00	stream restoration	completed
Browns Gulch Education PDG	2007	\$17,602.00	\$15,260.50	\$0.00	education	completed
Browns Gulch Watershed Assessment	2004	\$143,404.00	\$142,492.50	\$0.00	assessment	completed
Butte Water Metering	2008	\$273,600.00	\$262,013.41	\$0.00	water supply	completed
Butte Water Master Plan	2005	\$174,634.00	\$170,285.00	\$0.00	water supply	completed
Butte Waterline	2001-2010	\$17,414,083.00	\$14,571,390.54	\$181,754.60	water supply	Years 1-9 completed and closed; Year 10 ongoing
Childrens Fishing Pond PDG/ Full Project	2008/2010	\$1,225,000.00	\$437,784.62	\$787,215.38	recreation	2008 PDG work completed; 2010 project ongoing
Clark Fork Watershed Education	2003, 2005	\$721,051.68	\$721,051.68	\$0.00	education	completed
Duham Acquisition	2003, 2005	\$1,668,557.00	\$1,624,663.54	\$43,506.22	acquisition	acquisition completed; O&M on going
German Gulch Watershed	2002, 2004, 2005	\$925,712.00	\$662,040.30	\$263,588.04	stream restoration & recreation & flow	2002 & 2004 grants completed; 2005 grant on-going
High Service Tank Replacement	2004	\$1,192,802.00	\$1,192,802.00	\$0.00	water supply	completed
Lower Browns Gulch Mang.	2009	\$25,000.00	\$25,000.00	\$0.00	flow	completed
Maud S Canyon Trail / Open Space	2010	\$62,040.00	\$25,495.03	\$36,544.97	recreation	on going
Ramsey School	2004	\$16,151.00	\$16,076.35	\$0.00	education	completed
Restoration Native Plant Diversity (MT Tech)	2008	\$628,175.00	\$619,891.58	\$0.00	research	completed
Silver Bow Creek Greenway	2000-02; 2005-09	\$23,560,606.24	\$13,241,398.26	\$10,339,043.77	stream restoration & recreation & flow	on going
Thompson Park Improvement	2007	\$988,402.00	\$873,995.13	\$114,406.87	recreation	on going
Totals		\$66,346,582.92	\$50,823,162.27	\$11,872,721.69		
Grant Totals		\$119,626,234.50	\$97,589,962.94	\$15,337,508.24		