

**STATE OF MONTANA
DEPARTMENT OF JUSTICE
Natural Resource Damage Program
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(406) 444-0205/FAX: 444-0236**

MEMORANDUM

TO: Members of the Trustee Restoration Council:
Tim Burton, Chief of Staff, Governor's Office
Bill Rossbach, Chair, UCFRB Advisory Council
Tim Fox, Attorney General
John Tubbs, Director, DNRC
Tracy Stone-Manning, Director, DEQ
Jeff Hagener, Director, FWP

FROM: Carol Fox, NRDP

DATE: October 23, 2013

SUBJECT: Trustee Restoration Council Meeting on October 29, 2013

The Trustee Restoration Council (TRC) will meet on Tuesday, October 29, 2013 from 1:00 to 3:00 p.m. in Room 152 of the Capitol. Attached are the meeting agenda and backup materials. All of these materials are also available on the NRDP website at <http://doj.mt.gov/lands/advisorycouncil.asp#trc>. Following is a description of the agenda items.

Confluence Acquisition Project – Action Item

The TRC will consider the Confluence acquisition project, which involves the use of \$400,000 from the UCFRB Restoration Fund to acquire 202 acres (“Property”) located near the confluence of Rock Creek and the Clark Fork River 20 miles east of Missoula. This project is sponsored by the Five Valleys Land Trust (FVLT). 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.

Attached is the NRDP’s funding evaluation and recommendation document for this project. FVLT’s project proposal and a project map are provided as attachments to this document. The NRDP recommends the project be funded for \$400,000, subject to the specified funding conditions.

The NRDP’s funding recommendation document was the subject of a 30-day public comment period that ended on June 26, 2013. The NRDP received 20 comment letters on this project, with 19 letters in support and one letter in opposition. The NRDP also received three 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*. Attached is a copy of the NRDP’s draft response to comments document, which includes copies of the public comment letters as an appendix.

At your October 29th meeting, NRDP staff will summarize the project, the public comments received, and the staff's funding recommendation. Following input from the project sponsor and consideration of public comment, the TRC will vote on its funding recommendation to the Governor for this project.

Drummond Kiwanis Acquisition Project – Action Item

The TRC will consider the Drummond Kiwanis acquisition project, which involves funding of \$85,300 from the UCFRB Restoration Fund for the acquisition of two parcels totaling about 32 acres (“Property”) that are located next to the Clark Fork River near Drummond (\$50,000) and for the development of recreational trails and other public access features on the Property (\$35,300). This project is sponsored by the Drummond Kiwanis Club. 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.

Attached is the NRDP's funding evaluation and recommendation document for this project. The Drummond Kiwanis project proposal and project maps are provided in attachments to this document. The NRDP recommends the project be funded for \$85,300, subject to the specified funding conditions.

The NRDP's funding recommendation document was the subject of a 30-day public comment period that ended on October 11, 2013. The NRDP received 4 comment letters in support of project funding during the public comment period. The NRDP also 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*. Attached is a copy of the NRDP's draft response to comments document, which includes copies of the public comment letters as an appendix.

At your October 29th meeting, NRDP staff will summarize the project, the public comments received, and the staff's funding recommendation. Following input from the project sponsor and consideration of public comment, the TRC will vote on its funding recommendation to the Governor for this project.

Fiscal Year End 2013 Report – Information Item

Attached is the fiscal year end (FYE) 2013 UCFRB 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 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 October 29th meeting, NRDP staff will provide further background on both the fiscal and project updates provided in this report.

Trustee Restoration Council Meeting
Tuesday, October 29, 2013, 1:00 to 3:00 p.m.
Room 152 at the Capitol
AGENDA

- 1:00 – 1:10 Introductions and Meeting Overview – Tim Burton
- 1:10 – 1:50 Confluence Acquisition Project – Action Item
- Summary of project, public comment, and NRDP input – Greg Mullen, NRDP
 - Advisory Council input – Bill Rossbach, Chairman of UCFRB Remediation and Restoration Advisory Council
 - Input from Project Sponsor (Five Valleys Land Trust)
 - Public Comment
 - TRC discussion, input, and action on recommendation to the Governor – facilitated by Tim Burton
- 1:50 – 2:20 Drummond Kiwanis Acquisition Project – Action Item
- Summary of project, public comment and NRDP input – Kathy Coleman, NRDP
 - Advisory Council input – Bill Rossbach
 - Input from Project Sponsor (Drummond Kiwanis)
 - Public Comment
 - TRC discussion, input, and action on recommendation to the Governor – facilitated by Tim Burton
- 2:20 – 2:50 Program Updates
- FYE13 Fund Status Report – Kathy Coleman, NRDP
 - FYE13 Project Status Report – Carol Fox, NRDP
- Additional Public Comments
- Adjourn

June 24, 2013 Trustee Restoration Council (TRC) Meeting Summary

Note: An audio recording of this meeting and copies of the PowerPoint presentations shown at the meeting are available upon request to the NRDP.

Members present: Tim Burton, Tim Fox, Jeff Hagener, Joe Lamson (serving as alternate for John Tubbs), Tracy Stone-Manning, with Bill Rossbach attending in via telephone.

Introductions Meeting Overview: TRC members and audience members introduced themselves. Tim Burton provided a brief meeting overview. Carol Fox (NRDP) explained the substantive change of scope process that led to the grant project modifications to be considered at this meeting.

2009 Milltown Grant Modification

Background: Chas Van Genderen (FWP) provided a background presentation on the Milltown State Park Project history and the proposed grant modification. Doug Martin (NRDP) explained the NRDP's support for this modification and summarized the favorable public comment.

Advisory Council input: Bill Rossbach provided background about the Advisory Council for new TRC members. He explained the Council's favorable support for the modification and the importance of the Milltown State Park project to Confluence area communities.

Public comment: None

Council action: Bill Rossbach made a motion to approve the proposed modification as submitted. Tracy Stone-Manning seconded the motion. The motion passed unanimously.

2005 Big Butte Grant Modification

Background: Julia Crain (Butte Silver Bow) provided background about the Big Butte acquisition grant project and Butte Silver Bow's modification request with a PowerPoint presentation. Tim Burton noted the dramatic difference in vegetation in just seven years demonstrated in the picture. Kathy Coleman (NRDP) explained the NRDP's support for this modification and summarized the public comment.

Advisory Council input: Bill Rossbach reviewed the Council's input regarding the project and favorable support of funding for the needed operation and maintenance to maintain the investment in the project. He noted the importance of this project for the people of Butte and the Council's strong support for the project in general.

Public comment: None

Council Action: Tracy Stone-Manning moved to approve the modification as proposed. Bill Rossbach seconded the motion. The motion carried unanimously.

East Helena Early Restoration

Rob Collins (NRDP) provided background on the East Helena Smelter site and the ASARCO bankruptcy settlement. Doug Martin then provided additional background about the site, the proposed Early Restoration Proposal process, the public comments received on that process, and the staff's draft responses to those comments.

Jeff Hagner asked about whether American Chemet's operations presented a concern. Rob responded that there is some concerns about those operations, but not a large amount. Prickley Pear Creek goes into East Helena before it reaches Chemet's plant. The Trust has conveyed 2.3 acres to Chemet and is receiving rental income from them.

Public Comment: None

Council Action: Jeff Hagner moved to approve the Early Restoration Process as proposed and Joe Lamson seconded. Rob Collins clarified that the response to comments document also needed approval. Jeff amended his motion to include approval of the response to comments document and Joe Lamson seconded the amendment. The amended motion carried unanimously.

Program Updates: Carol Fox provided a brief summary of the restoration plan and programmatic changes implemented at the end of 2012. She noted the availability of copies of the UCFRB Restoration Fund quarterly report and indicated that staff would provide a more detailed briefing on the fund status and new accounting system at the next meeting, associated with completion of the fiscal year-end report.

There were no further questions or public comment. Tim Fox and Tim Burton expressed their appreciation of the NRDP's briefing efforts. Tim Burton adjourned the meeting.

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

Background and Project Summary

In June 2012, Five Valleys Land Trust (FVLT) submitted a restoration concept abstract (Attachment A) to the Natural Resource Damage Program (NRDP) for restoration funding of \$400,000 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 is an updated version of the NRDP’s June 2013 funding evaluation and recommendation, which was subject of a 30-day public comment period that ended 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 water rights stay with the property under FVLT ownership or any subsequent ownership unless the rights are transferred to another owner for instream flow purposes.³
- 4) That the funding and management agreements are recorded at closing.
- 5) 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 mid-December 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:⁴

³ This funding condition was added as a result of input from the Advisory Council provided at its September 18, 2013 meeting.

⁴ 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.

- 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) 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.⁵ 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.

⁵ 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.

- ✓ 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.
- ✓ 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.⁶ 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.

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

The NRDP received a total of 20 comment letters during the public comment period on the NRDP's June 2013 funding evaluation and recommendation document. Nineteen comment letters indicated general support of the project and the NRDP's funding recommendation. Positive aspects noted in these comments include the project's great value because of its location and benefits to both terrestrial and important aquatic resources, and its substantial matching funds and numerous contributing partners. One comment letter opposed the use of NRD funds for the project on grounds that the NRD lawsuit settlement funds should be spent in upstream areas that were impacted by contamination caused by mining activities that occurred in the Butte and Anaconda area. The NRDP's October 2013 draft response to comments document provides a summary and copies of these comment letters and the staff's draft responses to them. During the public comment period on the September 2012 *Draft Aquatic and Terrestrial Resources Restoration Plans*, the NRDP also received three comment letters in support of this project and its inclusion in the *Final Restoration Plans*.

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 mid-December, 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:

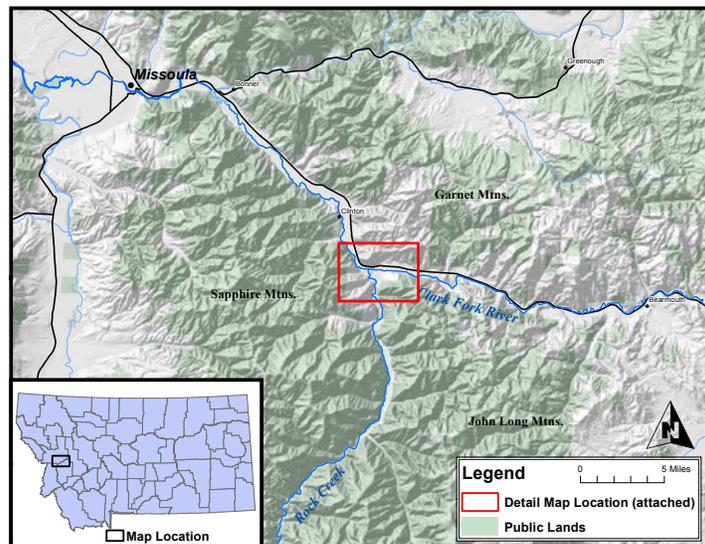
- Habitat improvement and permanent protection for 25 acres of riparian habitat (NRDP Terrestrial Restoration Priority 1) along nearly 1.5 miles of the Upper Clark Fork River below Deer Lodge (a NRDP Priority 2 stream reach).
- Habitat improvement and permanent protection for upland habitats critical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

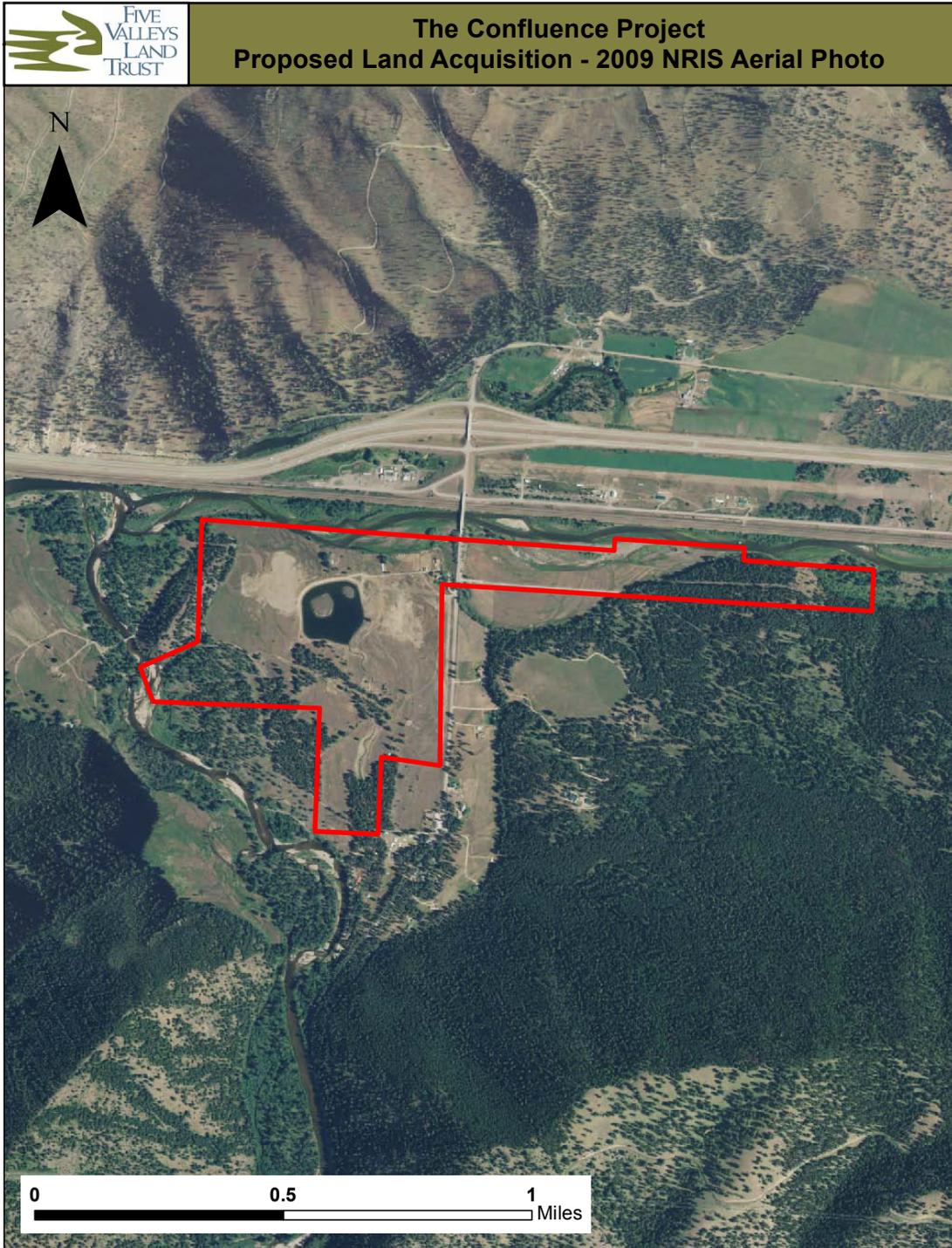
Acquisition Costs assuming 5 year ownership		
<i>Expense</i>	<i>Amount</i>	<i>% Phase I</i>
LEMB Co Property acquisition	\$1,600,000	80%
Bridge Loan (5-year @ 3%)	\$185,000	9%
Project Staff & Overhead (5-years)	\$150,000	8%
Legal fees	\$30,000	2%
Environmental Hazard Assessment	\$3,000	0%
Ecological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

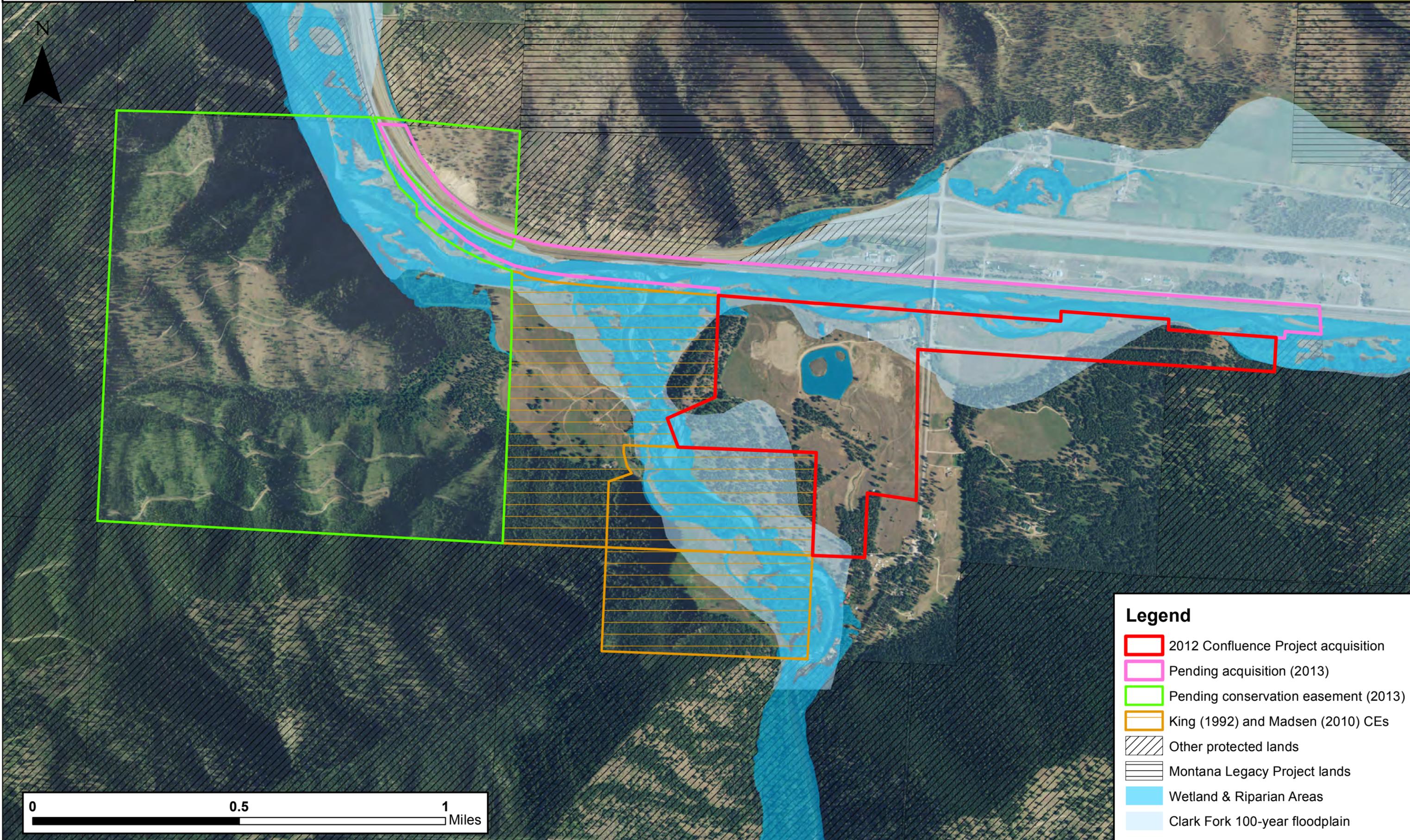
Table 3. Project Funding (Phase 1)		
<i>Funding Source</i>	<i>Amount</i>	<i>% Total</i>
Natural Resource Damage Program	\$400,000	15.8%
MT Fish & Wildlife Conservation Trust	\$100,000	5.3%
Missoula County Open Lands	\$300,000	15.8%
Five Valleys Land Trust Rock Creek Trust	\$300,000	15.8%
Five Valleys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

Property Aerial Photo Map



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.

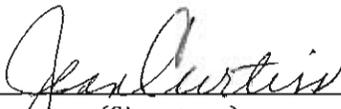
Five Valleys and Missoula County may terminate this Management Agreement if, by mutual consent of both parties, the Management Agreement is no longer necessary. Anticipated circumstances which would likely result in termination of this Management Agreement include transfer of the Property, as a whole 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

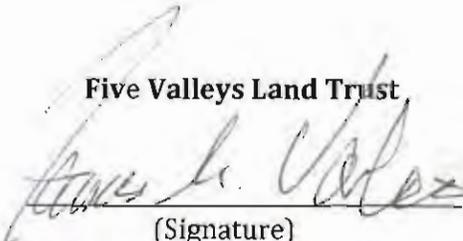


(Signature)

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

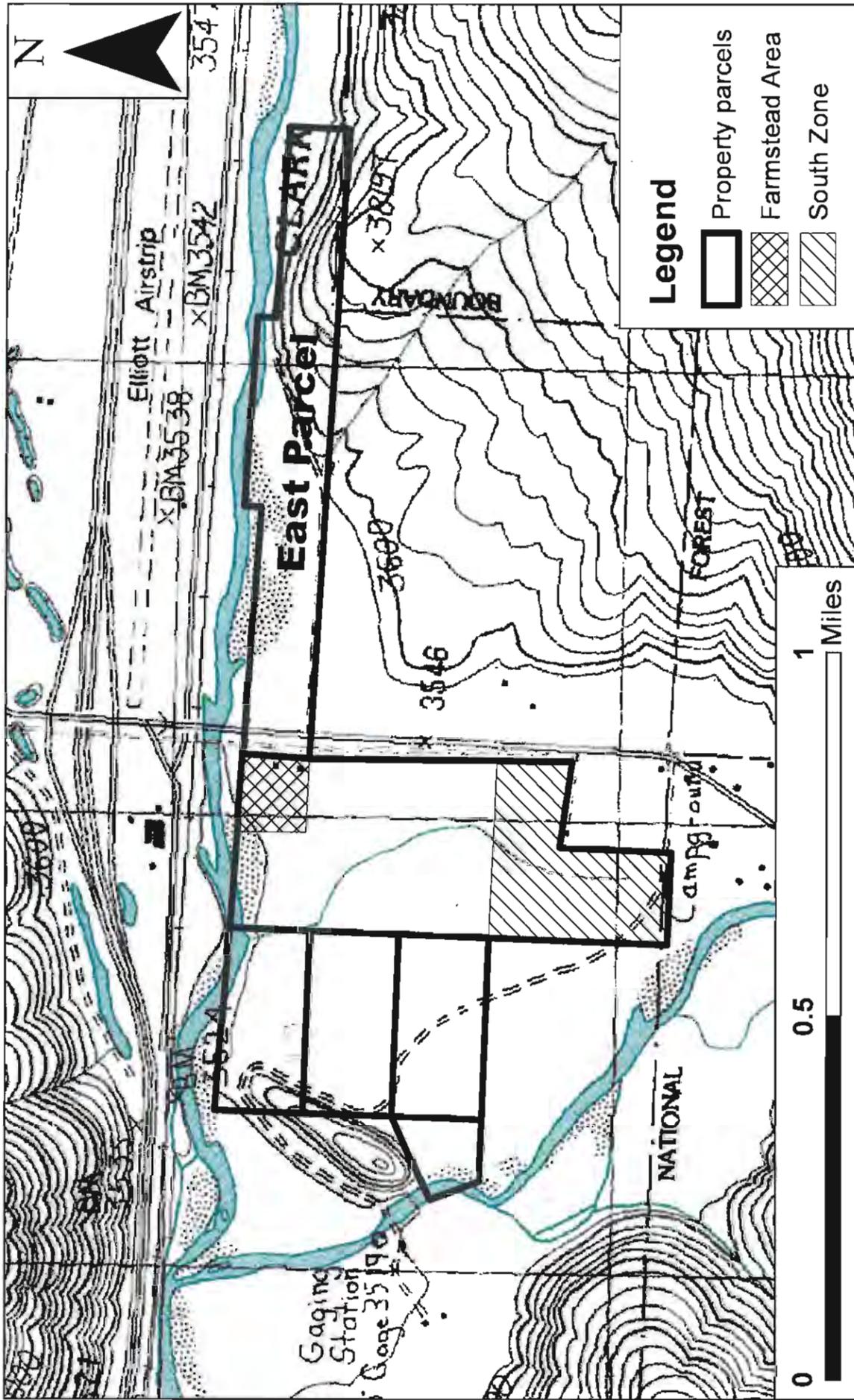


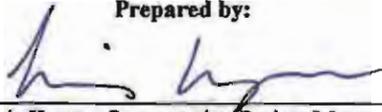
Exhibit C: Management Plan

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

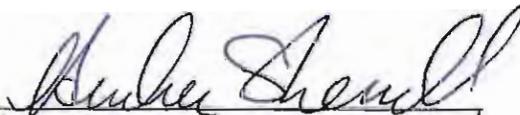
1. Use of the property will be consistent with protection of the Conservation Values defined above.

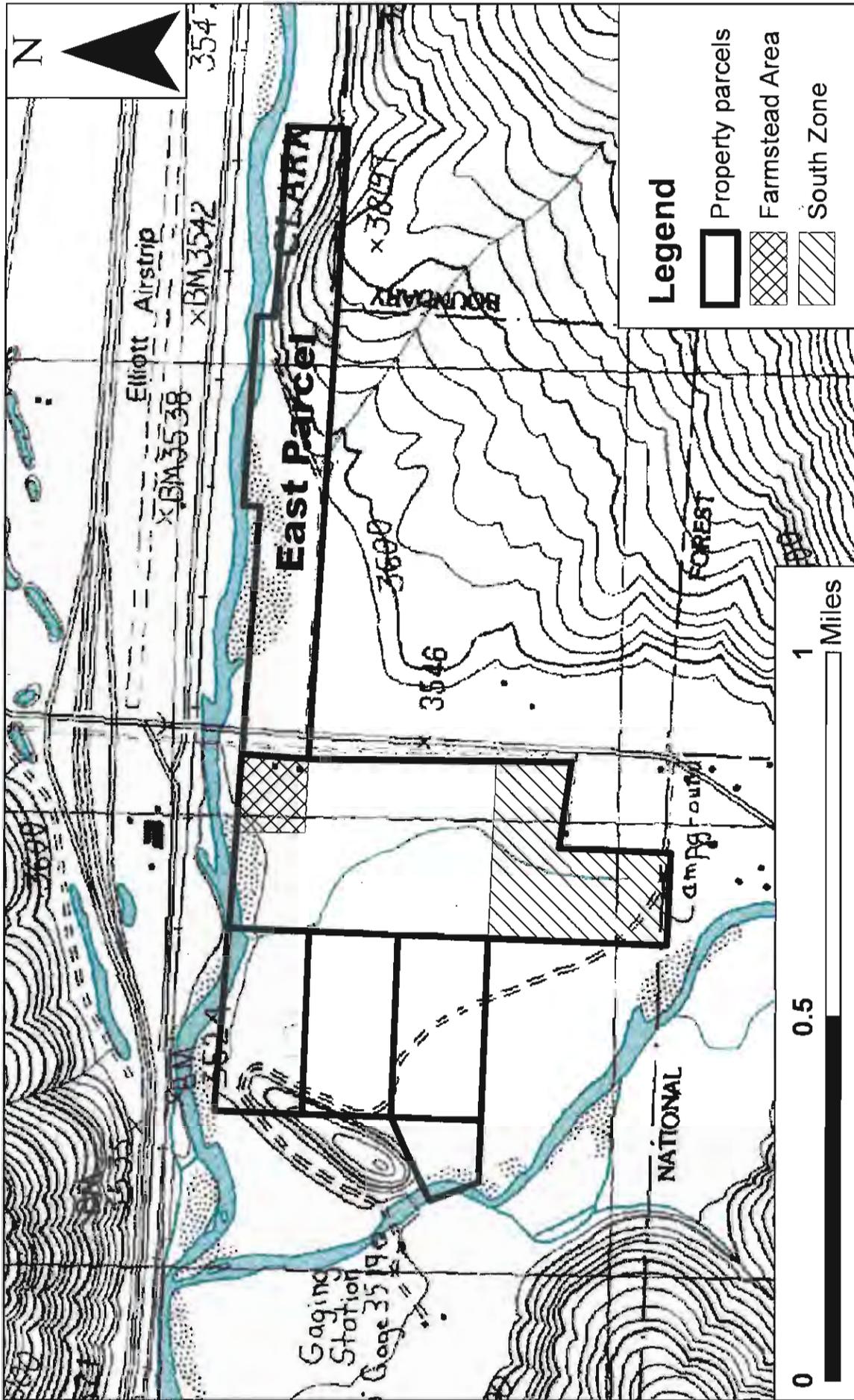
2. Five Valleys will manage the "East Parcel" (see attached property map) for public access. Five Valleys reserves the right to limit access to reasonably protect relatively natural habitat. Only structures necessary to facilitate public access, such as pit toilets, picnic tables, etc. are allowed on 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.

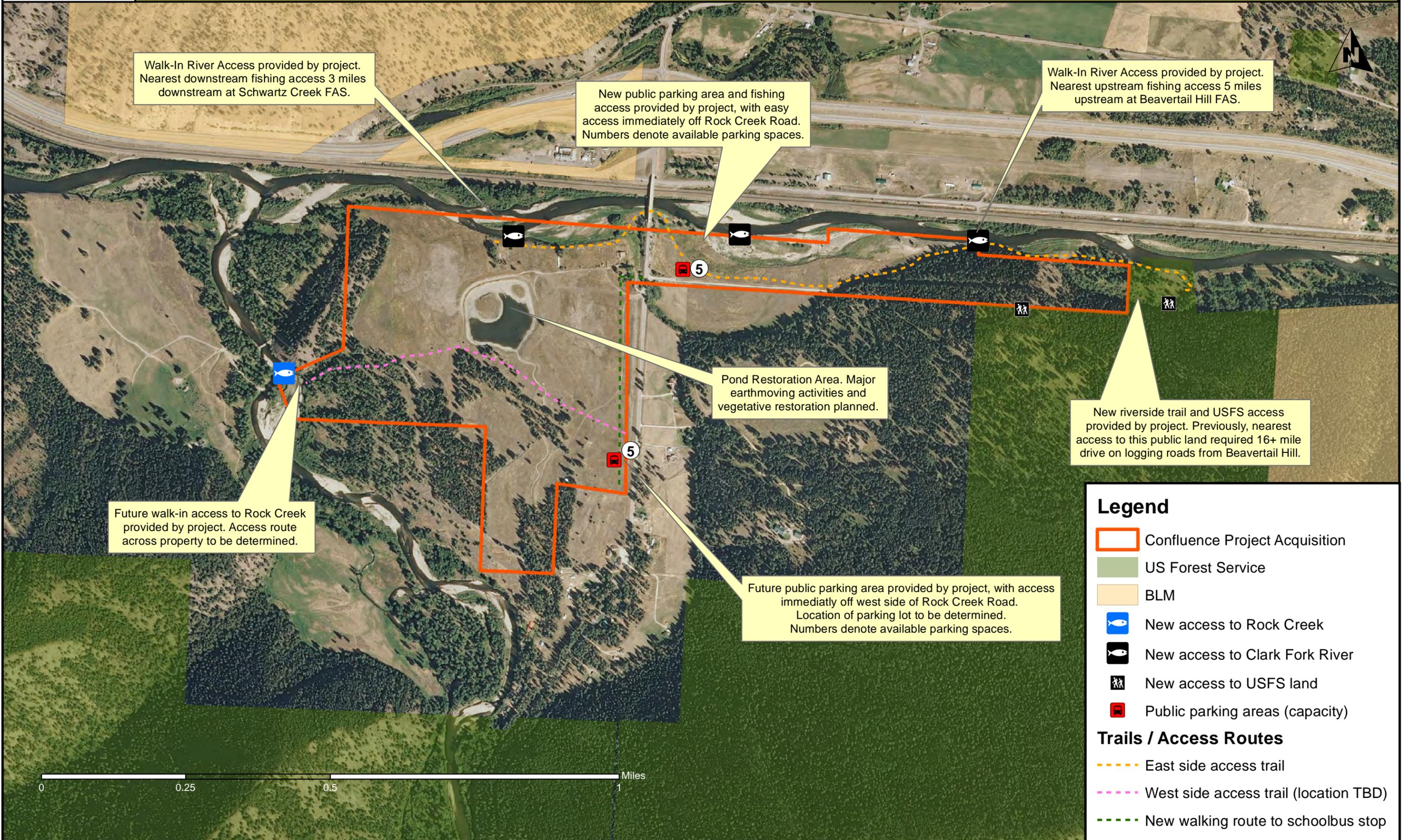
Future public parking area provided by project, with access immediately off west side of Rock Creek Road. Location of parking lot to be determined. Numbers denote available parking spaces.

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, 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**

October 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 were considered at September 16, 2013 Advisory Council meeting and will be considered at the October 29, 2013 Trustee Restoration Council meeting. More information about 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 funding conditions that are specified in the NRDP's October 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 water rights stay with the property under FVLT ownership or any subsequent ownership unless the rights are transferred to another owner for instream flow purposes.²
- 4) That the funding and management agreements are recorded at closing.
- 5) 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 mid-December 2013, although the Parties will make a good faith effort to complete the fund and management agreements before then.

² This funding condition was added as a result of input from the Advisory Council at their September 18, 2013 meeting.

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,

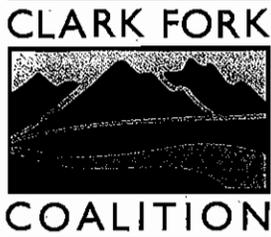
Sean Benton
Missoula, Montana

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

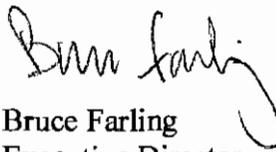
this project, and commit to ensuring the ecological health of the property is restored and that it remains available for public use in perpetuity.

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,

A handwritten signature in cursive script that reads "Bruce Farling". The signature is written in dark ink and is positioned above the printed name and title.

Bruce Farling
Executive Director

July 9, 2013

Carol Fox, Restoration Program Chief

Natural Resource Damage Program

P.O. Box 201425

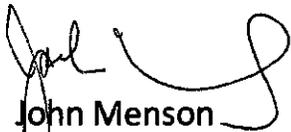
Helena MT 59620-1425

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

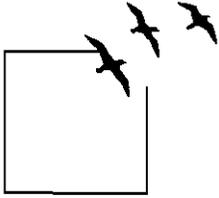
10 River Rock Lane

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,

A handwritten signature in black ink, appearing to read 'Ronald K. Clausen', with a long horizontal line extending to the right.

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.

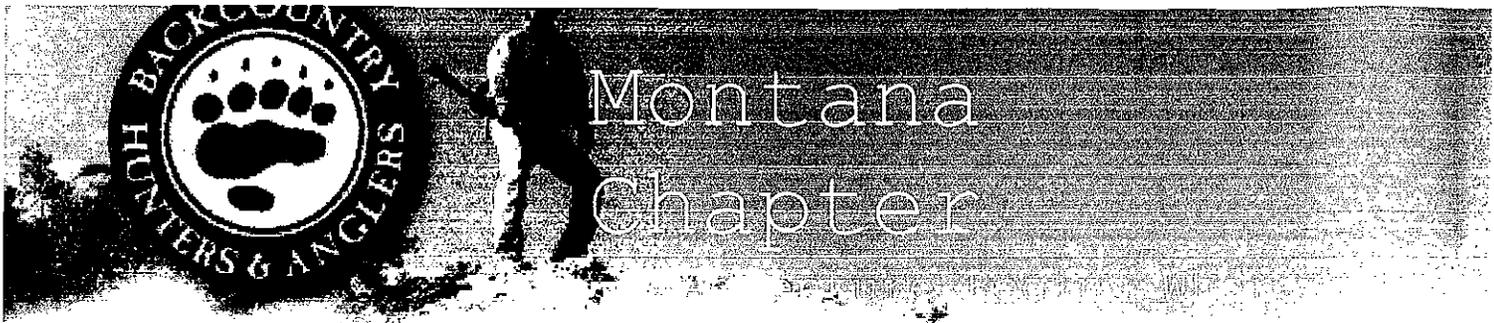
HHA believes that the project meets all the goals of the *Terrestrial Resources Restoration Plan* by restoring and replacing lost wildlife resources as well as providing wildlife related recreational opportunities. HHA also believes that several key elements from the *Terrestrial Prioritization Plan* 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

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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

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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

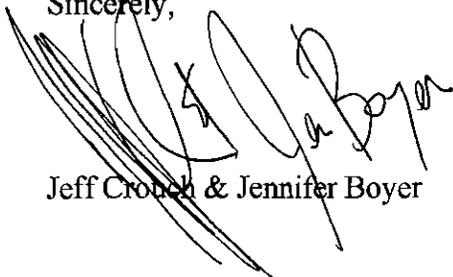
Dear Ms. Fox:

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.

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.

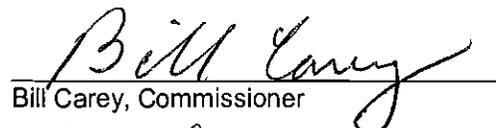
The Rock Creek Confluence Project area is key wildlife habitat for both aquatic and terrestrial species. The mouth of the creek is important for trout movement upstream and nearly 15 *Montana Species of Concern* inhabit the region around the confluence. Additionally, this watershed contains areas critical 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 Evaluation and Funding Recommendation

Drummond Riverside Park

October 17, 2013

Background and Project Summary

In June 2012, the Drummond Kiwanis Club submitted a restoration concept abstract (Attachment A) to the Natural Resource Damage Program (NRDP) for restoration funds of up to \$100,000 for the acquisition of a 31.99 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 (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, 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 is an updated version of the NRDP’s September 2012 funding evaluation and recommendation document, which was subject of a 30-day public comment period that ended on 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 has been 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 using an additional \$35,300 (details of this budget provided in Attachment A) in restoration funding 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 funding contract between NRDP and Drummond Kiwanis Club. This agreement will provide, among other things, public access and use of the Property.

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*.

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) Drummond Kiwanis will seek to obtain a permit from the Montana Department of Transportation to allow pedestrian access to Tract T-1.
- 5) 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.
- 6) A Management Plan will also be developed and agreed upon which 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.
- 7) 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 be approved by the State, provide for the continuance of the same public land use, and provide for the water and mineral rights to stay with the land.
- 8) A funding contract provision will also provide for the possibility that the Kiwanis Club may cease to exist, become bankrupt, or be delinquent in taxes.
- 9) 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 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 has been completed and determined that no further assessment is needed. A Mineral Right Guarantee has been completed has been reviewed by NRDP. Based on this guarantee and after further legal research by the NRDP, it appears that the mineral rights are not severed from the land and are owned by the current landowner, who has agreed to transfer the rights to the Kiwanis.

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 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 corporations' willingness to execute such an option agreement.

The current owner of the Property will convey any mineral rights and water rights that he owns, which are associated with the Property, to the Kiwanis. 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.

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 is currently seeking to obtain an option from NorthWestern 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 abstract (Attachment A) and FWP's resource evaluation (Attachment B) describe the natural resource and public recreational benefits of this project including natural wetlands and river bank fishing access. The Kiwanis goal's is to create a riverside park for protection of natural resources and public enjoyment near the Town of

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

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 a 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 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 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 four (4) comment letters during the public comment period on this document that expressed support for funding of this project. The NRDP also 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*. The NRDP’s draft response to public comment document (dated October 15, 2013) provides a summary and copies of these support comments.

Conclusion: Subject to the funding conditions described above, the NRDP recommends \$85,300 be used to fund the Drummond Kiwanis 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.

Attachment A

Drummond Kiwanis Abstract

**DRUMMOND KIWANIS CLUB
TOWN OF DRUMMOND**

**-----
DRUMMOND RIVERSIDE PARK PROJECT**

**NATURAL RESOURCE DAMAGE PROGRAM
RESTORATION CONCEPT ABSTRACT**

PREPARED BY:

**DRUMMOND KIWANIS CLUB
In cooperation with the
TOWN OF DRUMMOND**

1. NAME AND CONTACT INFORMATION:

Chuck Johnson, Treasurer
Drummond Kiwanis Club
P.O. Box 70
Hall, MT 59837
Phone: (406) 288-5000
Email: csjohnson@blackfoot.net

2. PROJECT PURPOSE AND BENEFITS:

The goal of this project is to create a Clark Fork riverside park for public enjoyment of natural resources in the floodplain of the Clark Fork River near the Town of Drummond. The objectives of this proposal are to (1) purchase a tract of land adjacent to the Clark Fork River near Drummond, (2) construct an entrance roadway, parking area and trail system on the property, and (3) provide for river bank fishing access on the Clark Fork River. Creating a park in this location would preserve the natural floodplain of the Clark Fork River including natural wetlands and would serve as a recreational amenity for the community of Drummond and the surrounding region. The area is currently in a natural condition, hosting cottonwood trees and other riparian and wetland vegetation which serves as habitat for wildlife, including deer, beaver, muskrats, geese, blue herons, ducks and osprey. The site would provide walking paths, wildlife viewing opportunities and a walk-in Clark Fork fishing access for the Drummond Community and the public at large.

3. PROJECT LOCATION:

All of Tract T in Section 31, Township 11 North, Range 12 West, Granite County, Montana, according to the Map of Land Holdings of Colonel G.W. Morris on file with the Granite County Clerk and Recorder. Tract T is approximately 38 acres in size. Attached to this abstract are a topographic map, recorded plat map, flood map, soils map and site drawing.

4. PROJECT DESCRIPTION:

Acquisition of the property is the first component of the project. The property described is owned by Cy Curtis Corlett who resides near Drummond. Mr. Corlett is interested in selling the property and is supportive of the project. In 2007, Drummond Kiwanis Club obtained an appraisal of the property by William Bandy, a certified appraiser. Mr. Bandy appraised the subject property at \$58,985.00. Neither the Town of Drummond nor Drummond Kiwanis Club have entered into negotiations with Mr. Corlett for the purchase of the tract.

The second component would be to acquire legal access to Tract T and to obtain bids for the construction of an entrance roadway, parking area and trails on the site. A single trail inside the circumference of the tract with several side trails are contemplated. The third component would be to install appropriate signage in Drummond, at the entrance to the riverside park and at the parking area.

Chuck Johnson, on behalf of the Drummond Kiwanis Club, has consulted with the Drummond Town Council, Granite County Commissioners and Granite Headwaters. All entities are supportive of the project. Chuck Johnson has also consulted with local representatives of the Montana Department of Fish, Wildlife and Parks, Brad Liermann and Ray Vinkey, concerning the proposed project. Both have given information concerning the aquatic and terrestrial values to be preserved and enhanced by the project. Ultimately, it would be desirable to have the MDFWP as an implementation and management partner, and ultimate owner, of the project.

5. PROJECT SCHEDULE:

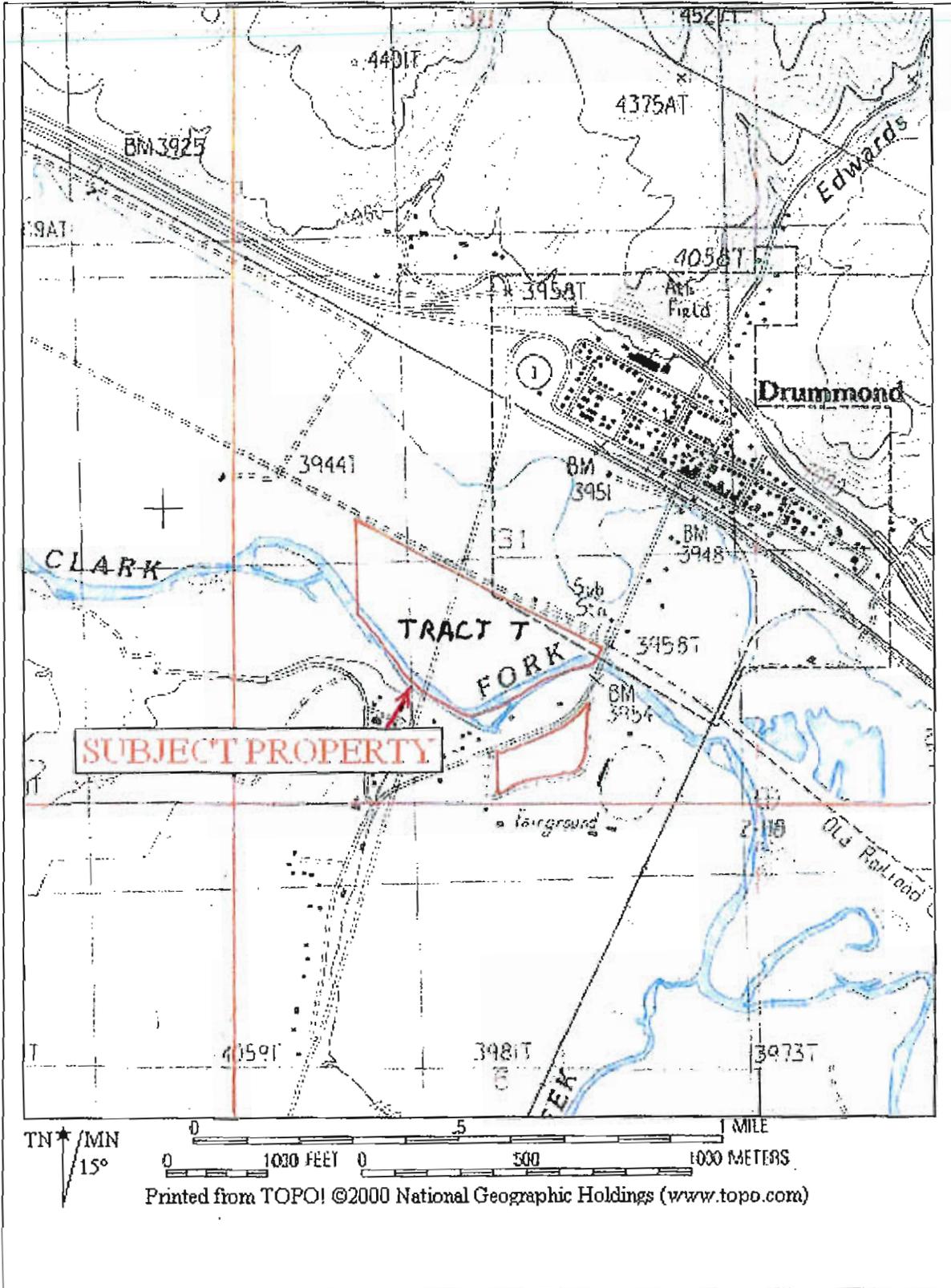
Once the subject property is acquired, proponents believe the project, including acquisition of roadway access, and construction of the entrance roadway, parking area, nature trails and signage could be accomplished within one year. At present, proponents have not arranged any matching funds.

6. ESTIMATED PROJECT COSTS:

The appraisal performed by William Bandy would place the purchase price of the property at \$58,985.00. Michael Nelson Construction, L.L.C. has estimated the cost of installing 6 foot wide compacted gravel walkways at a gravel depth of 4 inches would be \$2.80 per foot. Using this same estimated cost for compacted gravel, it is projected that installing an eighteen foot wide graveled roadway into the parking lot would cost \$5,000, installing a 48 foot by 100 foot graveled parking lot would cost approximately \$3,000, including leveling, and installing 1 mile of graveled walkways would cost approximately \$14,800. It is estimated that purchase and installation of signage in Drummond, at the park entrance and at the parking lot would cost \$2,500. Survey costs and legal fees should be no more than \$5,000. While we believe a minimum amount of engineering services will be required to design the roadway, parking area and walkways, engineering and other miscellaneous costs should be approximately \$5,000. The total projected initial cost of the Drummond Riverside Park is \$94,285.

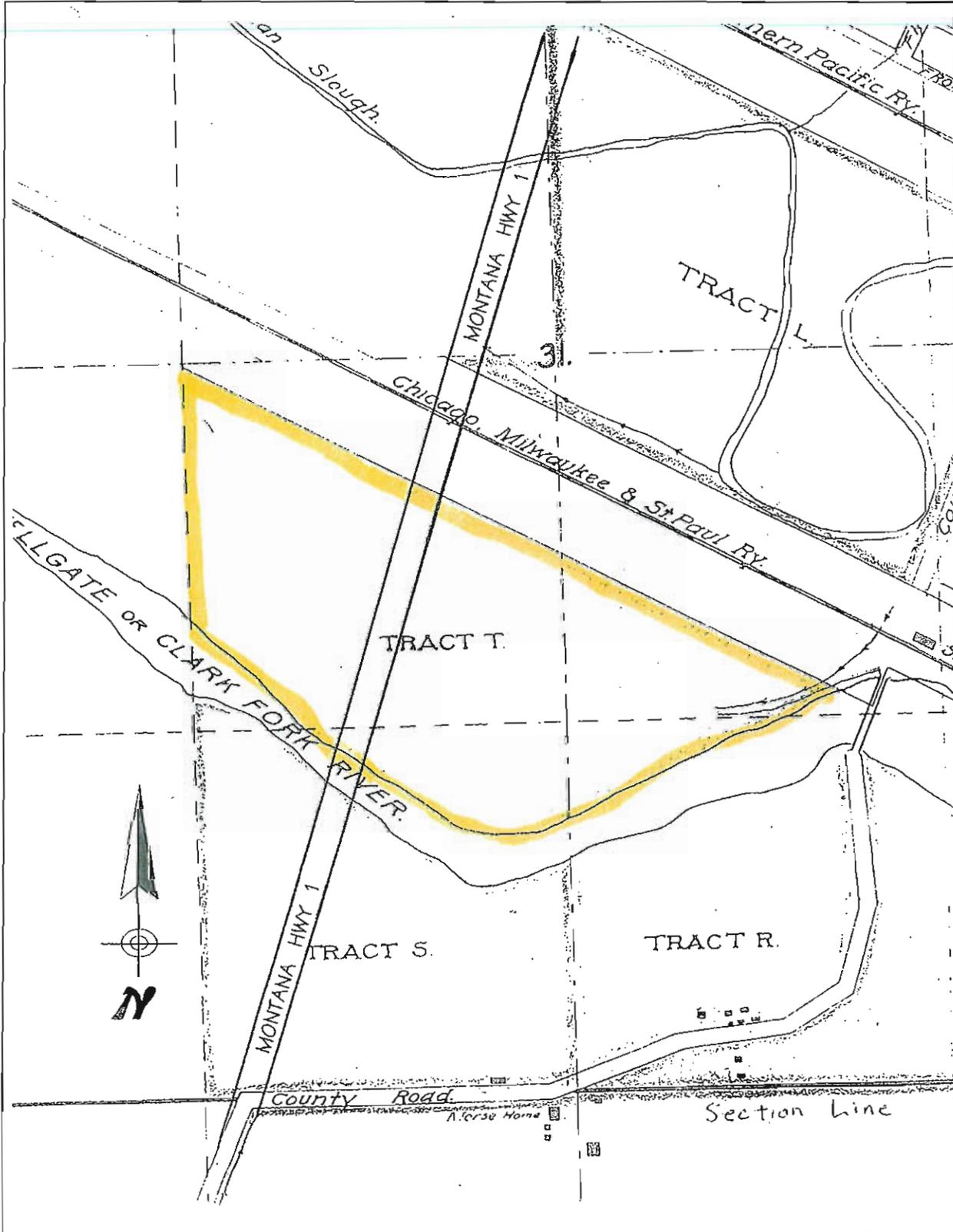
Topographic Map

Borrower/Client							
Property Address	Old Highway 10A						
City	Drummond	County	Granite	State	MT	Zip Code	85832
Client	Drummond Kiwanis Club						



Recorded PLat Map

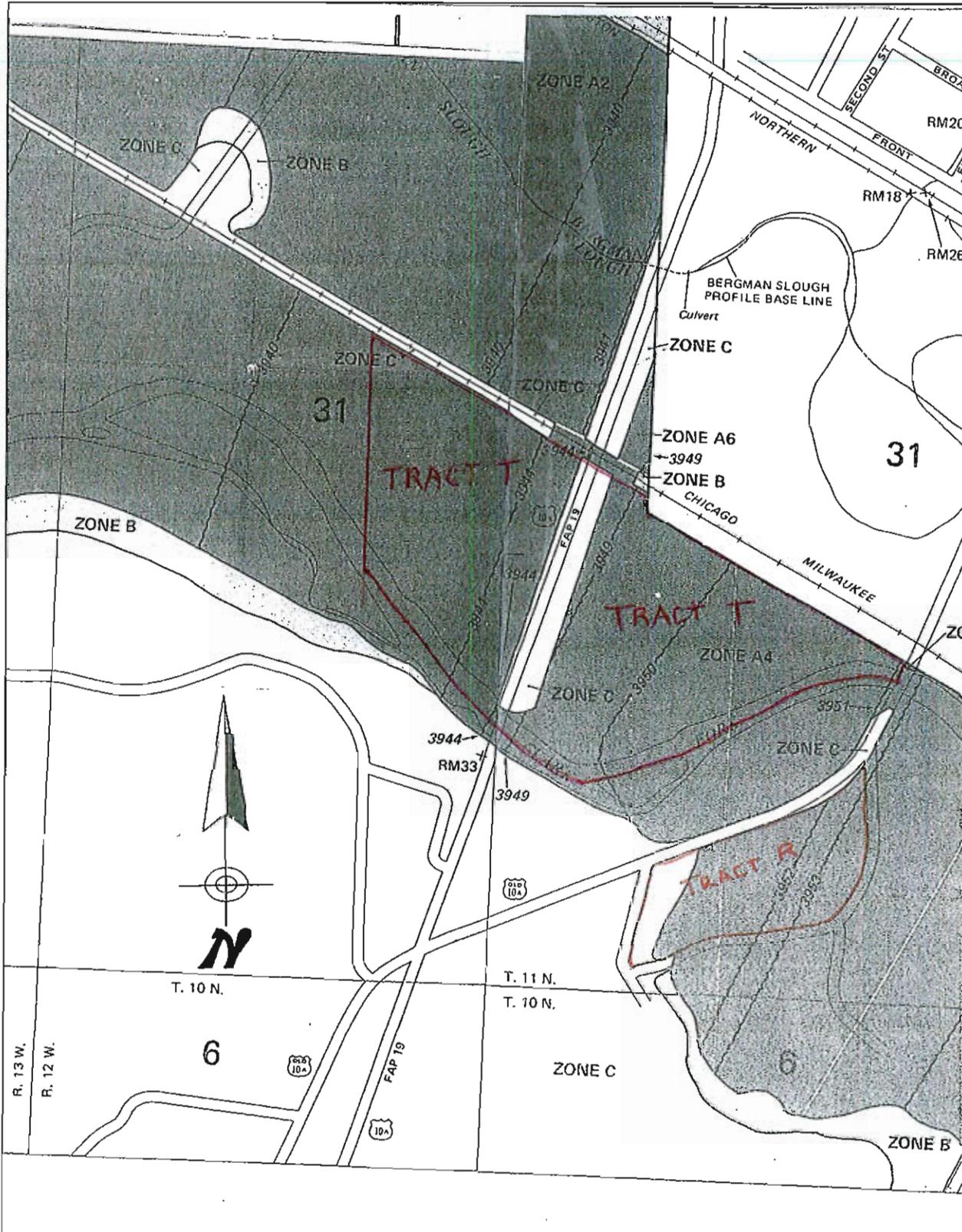
Borrower/Client				
Property Address Old Highway 10A				
City	Drummond	County	Granite	State MT Zip Code 85832
Client	Drummond Kiwanis Club			



Flood Map

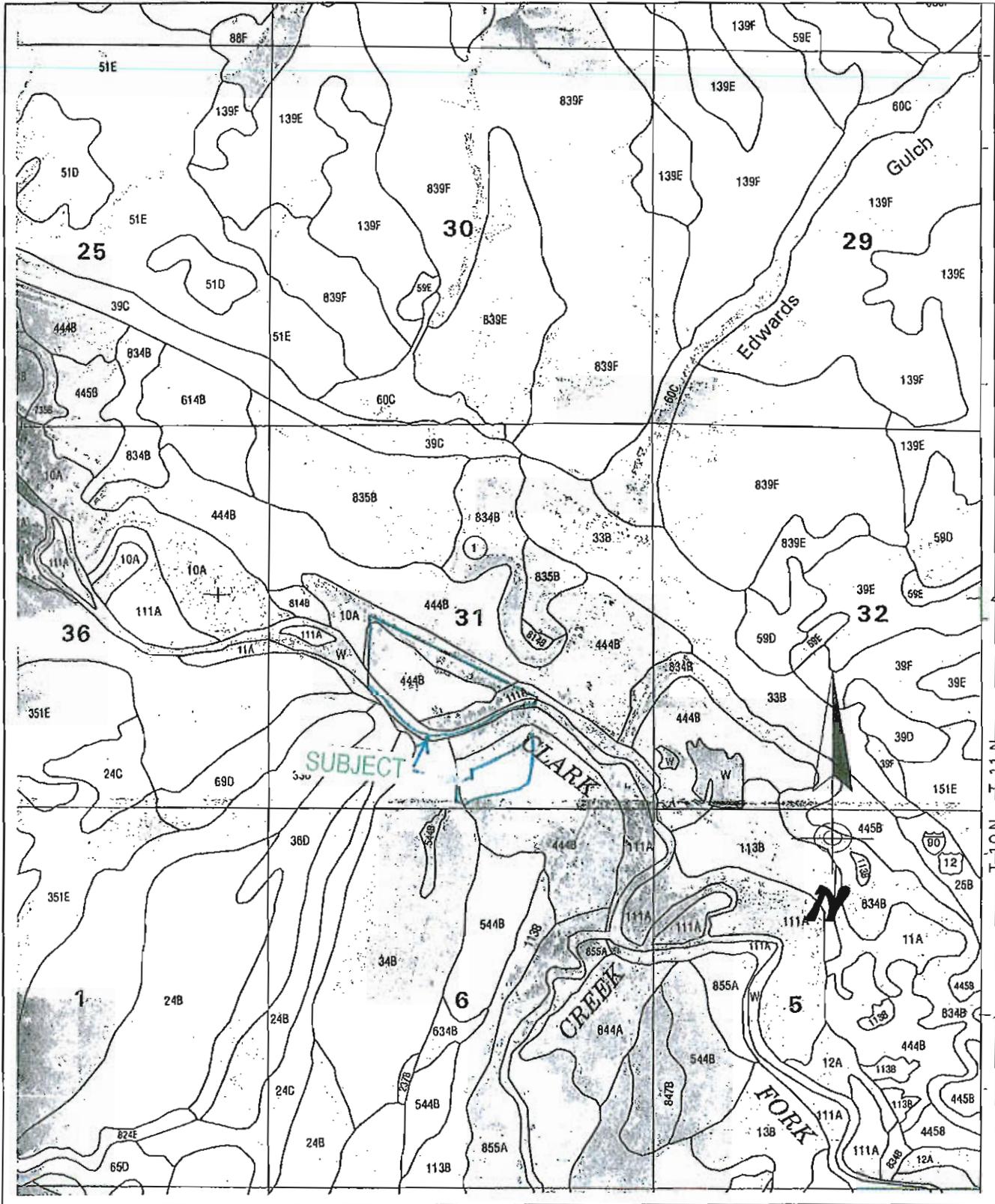
Borrower/Client				
Property Address Old Highway 10A				
City	Drummond	County	Granite	State MT Zip Code 85832
Client Drummond Kiwanis Club				

This information is taken from Community Panel Number 30014 0216 A and 30014 0217 A and have an Effective Date of July 5, 1982.

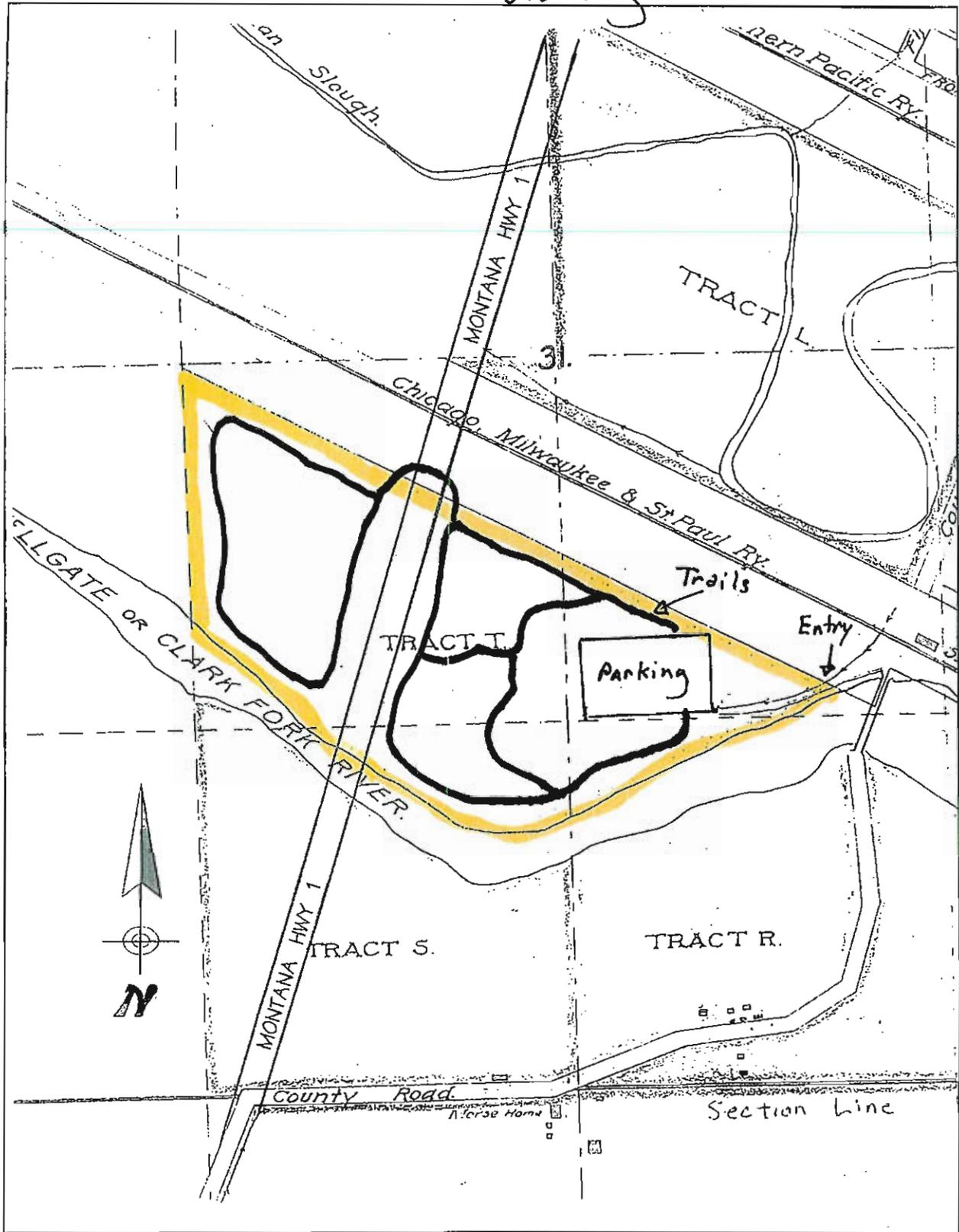


Soils Map

Borrower/Client							
Property Address	Old Highway 10A						
City	Drummond	County	Granite	State	MT	Zip Code	85832
Client	Drummond Kiwanis Club						



Site Drawing



SCALE: 1" = 100' (NOT TO SCALE)

Attachment B

FWP Aquatic and Terrestrial Resource Evaluation of the Drummond Kiwanis Project

Aquatic and Terrestrial Resource Evaluation Drummond Riverside Park Project

Date: August 30, 2013

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

Property name: Drummond Riverside Park Project

Project Sponsor: Drummond Kiwanis Club

Location: Drummond, Montana

Township 11 North, Range 12 West, portion of sect. 31

Acreage: 38 acres **Elevation:** 3944'

Landownership: Private

Project description and cost: The Drummond Kiwanis Club proposes to purchase 38 acres adjoining the Clark Fork River just south of Drummond (*Final Upper Clark Fork River Basin Aquatic and Terrestrial Resource Restoration Plan 2012*). The parcel is bounded by an abandoned rail line to the north, the Clark Fork River to the south and bisected by the Highway 1 bridge over the Clark Fork River (Figure 1). They envision a riverside park with a parking area, multiple trails and signage. The public would have walk in access to fish the Clark Fork River and also have opportunities for wildlife viewing, walking, and general appreciation of the outdoors in immediate proximity to town. Assuming purchase of the parcel at an appraised cost of \$58,985 and gravel walkways throughout the park the estimated project cost is \$94,285.

Wildlife Habitat onsite: (*Are there targeted habitats for conservation? Any unique habitats?*) The property lies in the flood plain of the Clark Fork River with 6 acres of riparian and wetland habitats. As per the *December 2011 Final UCFRB Terrestrial Prioritization Plan*, it is priority 1 for terrestrial resource protection and enhancement. The majority of the parcel is grassland; clumps of cottonwood trees, chokeberry, rose and other shrubs are found on the perimeter. There is an open cottonwood grove on the western boundary which continues on the neighboring property to the north. A heron rookery is located in these cottonwoods on the northwestern border of the parcel. Numerous small oxbow wetlands dominated by cattails, emergent vegetation and shrubs lie on the adjoining property to the north. These adjoining wetlands and the rookery enhance the value of the site. Introduced grasses and weeds dominate the pasture.

Figure 1. Proposed site for Drummond Riverside Park.



Wildlife onsite (What species are present, any SOC or ESA species? Are there targeted species for restoration?): Our site visit on August 21, 2013 was during a very hot afternoon, so few species were observed. We did observe an active osprey nest on a pole along the abandoned rail bed to the north as well as the heron rookery also just to the north. Habitats on the property, or adjoining it, support a variety of songbird species dependent on riparian habitats. Shrubs include berry producing species such as serviceberry, which provide foraging opportunities for mast-feeding birds and mammals. The small oxbow wetlands to the north may support amphibians, turtles and waterfowl. Other bird species not nesting on the property, including bald eagles and American white pelicans, could use the river for foraging.

The area is private property and no wildlife inventories have been completed. We developed a species list based on wildlife observations in similar habitats along the Clark Fork River and Flint Creek in the Drummond area. These species may occur on the property seasonally or year-long. Since the parcel adjoins a small cattail wetland we include some species that may be just offsite. Some may nest on the parcel, while others may only use the property for foraging. Other species not on this list may be documented if the area is surveyed for wildlife. Species of Concern are in bold.

- Amphibians and reptiles recorded in the area that could use the property include **western toad**, Pacific treefrog, Columbia spotted frog, painted turtle, common garter snake, and terrestrial garter snake.

- Mammals recorded nearby and potentially on the property include beaver, bobcat, river otter, white-tailed deer, black bear, long-tailed weasel, deer mouse, meadow vole, common shrew, vagrant shrew, little brown bat, big brown bat, **hoary bat**, silver-haired bat, yellow-bellied marmot and Columbian ground squirrel.
- Raptors recorded in the vicinity that may use the property for foraging or nesting include osprey, bald eagle, **peregrine falcon**, turkey vulture, red-tailed hawk, American kestrel and Swainson's hawk. Owls likely present include great horned owl, long-eared owl, saw-whet owl and northern pygmy-owl.
- Waterbirds and waterfowl recorded in the area that could use the wetlands or Clark Fork River include Canada goose, mallard, lesser scaup, common merganser, hooded merganser, **great blue heron**, **American white pelican**, spotted sandpiper and killdeer.
- Songbirds and other small bird species that may nest or forage on the property or on the adjoining parcel include red-winged blackbird, yellow warbler, song sparrow, American robin, black-headed grosbeak, hairy woodpecker, northern flicker, **Lewis's woodpecker**, bullock's oriole, mourning dove, common nighthawk, western wood pewee, willow flycatcher, eastern kingbird, cliff swallow, barn swallow, tree swallow, black-billed magpie, American crow, common raven, black-capped chickadee, mountain chickadee, red-breasted nuthatch, house wren, mountain bluebird, Townsend's solitaire, gray catbird, bohemian waxwing, cedar waxwing, lazuli bunting, chipping sparrow and American goldfinch.

The great blue heron rookery is a significant resource. This rookery has been present since at least 2006 with the estimated number of active nests ranging from 15 to 22. Larry Thompson reported a great blue heron rookery nearby on Flint Creek in 1978 and 1979, and John Prange reported a rookery along the Clark Fork River just east of Drummond in 1991. These earlier records indicate the rookery has moved around in the area over the years, but has been present in the Drummond vicinity for at least 35 years. Great blue herons are a Species of Concern and a targeted species for enhancement in the Upper Clark Fork Terrestrial Restoration Plan (2012).

The osprey nest is located on a pole just off the property west of Highway 1. This osprey pair has attempted nesting on power poles in the area, and formerly used another platform on the east side of the highway. According to records in the Montana Natural Heritage Program database, this osprey pair has nested in the area on one of these two platforms since at least 1992. Ospreys are a fish-eating species that are targeted conservation in the Restoration Plan.

Fisheries habitat and resources onsite: This project is located along the Clark Fork River which is an important recreational fishery in western Montana. This reach of the Clark Fork River is impacted by metals pollution and other factors that limit fish densities in the system. Despite relatively low densities of fish, this reach supports considerable recreational fishing pressure. The fishery consists primarily of brown trout although rainbow trout and native westslope cutthroat trout are routinely observed. Bull trout are also occasionally observed in this reach, although their densities are low.

Acquisition and development of trails on this property would provide significant value to the fisheries resources of the Clark Fork River. This project would provide protection of over half a mile of river and riparian habitat on the Clark Fork River. Development of a parking lot and trail system would also provide better access for anglers to the Clark Fork River. FWP currently owns a Fishing Access Site (FAS) immediately across the river and upstream of this property which allows anglers to wade down through this reach. Acquisition of this property would however make accessing this portion of the river much easier, particularly during higher flow conditions, by allowing anglers to walk the stream bank and park further downstream.

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, protection of this property would not be classified as Priority 2 restoration project. Nonetheless, the project provides protection of riparian habitat and also a significant improvement to stream access along the Clark Fork River.

Geographic relationship to other lands (*Public, protected, developed, connectivity*): This parcel is bounded by undeveloped private lands and the river. An abandoned railroad bed and the Milwaukee railroad line are just to the north, the town of Drummond which adjoins Interstate 90 is a third of a mile beyond. The Clark Fork River provides connectivity to habitats up and downstream—there are no immediate connections to public lands. The predominant surrounding land uses are agricultural cropland, range, or developed. At a broad scale two highways, a major railroad corridor, and the river isolate this parcel.

Threat Status (*What is the development potential?*): This property is designated as floodplain and as such residential development on the property is likely to be limited, if not excluded. In our assessment near term threats to the property are modest.

Enhancement opportunities: There are significant opportunities for habitat enhancement onsite. The property has been highly degraded by grazing pressure and weed infestation. Treatment of weeds as well as planting of native riparian vegetation would benefit the site. In particular, riverside vegetation is scant and as a result the river banks are eroding. The best approach to addressing this problem would have to be explored.

Public access and recreation (*What will be provided? Are there risks?*): The Kiwanis Club notes that acquiring public access to the parcel is necessary. We assume that legal access will be secured across private land on the northeastern corner and that access to the entirety of the parcel will be facilitated by a parking area and walking trails throughout. If this project is completed the public would gain access to over half a mile of Clark Fork River, open fields, riparian habitat, and a cottonwood grove.

The site could be an excellent wildlife viewing area. Development of the property for recreation would have to be protective of riparian habitats and the great blue heron rookery since great blue herons are especially sensitive to disturbance during nesting. The highway bridge splits the parcel into two logical management units. The eastern portion could be developed with graveled trails and the area west of Highway 1 left undeveloped for fishing and wildlife viewing. Great blue herons are a species of concern, so minimizing disturbance while they are nesting and rearing young is important. Impacts to them could be minimized with appropriate management.

Who are the partners? The Kiwanis club has consulted with the Drummond Town Council, Granite County Commissioners and FWP. All of these entities are logical partners and there is potential for the town, county or state to assume possession of the parcel. Montana Fish, Wildlife & Parks is interested in working with Kiwanis to plan recreational activity and inform management decisions.

Who will manage the land? The land would be managed by Kiwanis in the near term. If at a later date a government entity takes possession they would assume management responsibility. Kiwanis suggests that Montana Fish, Wildlife & Parks or the Town of Drummond could ultimately own the park. While FWP is interested in working as a partner, the department has made no commitment relative to future ownership. This scenario needs further discussion as funds and personnel available for maintaining Fishing Access Sites are limited. Acquiring maintenance responsibilities for additional locations such as this one without additional resources is likely not feasible.

Other unique factors to consider: Terrestrial and aquatic resource spending by NRDP has been limited in Granite County and this project would provide access to half a mile of the Clark Fork River in an underserved community.

Summary: This proposal would benefit terrestrial and aquatic resources in the UCFRB while providing public access to over half a mile of the Clark Fork River. Its proximity to Drummond and the presence of a great blue heron rookery make it a good site for wildlife viewing. The site would benefit from weed control, a reduction in grazing pressure and riparian plantings. Overall the project is consistent with NRDP and FWP priorities in the watershed and benefits multiple resources for a modest cost.



Drummond great blue heron rookery. Kristi Dubois.



Osprey observed near Kiwanis parcel. Kristi Dubois.

**Draft Response to Public Comments on the
“NRDP Funding Recommendation for the
Drummond Riverside Park”
Document dated September 2013**

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

October 15, 2013 Draft

Introduction

On September 11, 2013, the Natural Resource Damage Program (NRDP) released the “*NRDP Funding Recommendation for the Drummond Riverside Park*” document for public comment through October 11, 2013. For outreach on this public comment period, the NRDP sent notices of this opportunity for public comment to approximately 390 individual/entities on our mailing list and placed a set of ads in three basin-area newspapers. The NRDP summarized the project at the September 18, 2013 meeting of the UCFRB Remediation and Restoration Advisory Council (Advisory Council).

The NRDP received a total of four comment letters during the public comment period on this specific funding recommendation. See Appendix 1 for a list of commenters, identified by a specific number that serves as a reference to the comment, and copies of the four comment letters.

In addition to the four comment received during the public comment period, 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 Restoration Plan*. Appendix 1 contains copies of the letters. Responses to these comments are included in the *Final Response to Public Comments on the Draft UCFRB Aquatic and Terrestrial Resources Restoration Plan*, prepared by the NRDP, December 2012.

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. The Advisory Council meeting is scheduled for October 16, 2013 at the Elks Lodge in Deer Lodge and the Trustee Restoration Council meeting is scheduled for October 29, 2013 at 1:00 p.m. in Room 152 of the Capitol Building in Helena. Information regarding these meetings can also 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 – 4 letters

Comments: Four comment letters from two entities and two individuals indicate general support of the Confluence project and funding for the project by the NRDP (see comment letters #1-4). Reasons for this support offered in these letters include:

1. The project improves public access at a great price.
2. The acquisition would be a great addition to the community; however, a bike path from Drummond to Hall would be a better use.
3. The project offers great benefit to local community and outstanding for wildlife habitat.
4. Drummond Kiwanis has accomplished many of the goals set forth to accomplish the acquisition and believe it is an important piece of property for public access.

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

With regard to the comment about the bike path, this idea was not one of the ideas generated by the public for recreation uses that were considered for inclusion in the *Final Upper Clark Fork River Basin (UCFRB) Aquatic and Terrestrial Resources Restoration Plan* and therefore cannot be considered at this time.

NRDP Recommendation: After consideration of public comment, the NRDP recommends the Trustee approve the project 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) Drummond Kiwanis will seek to obtain a permit from the Montana Department of Transportation to allow pedestrian access to Tract T-1.
- 5) 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.
- 6) 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.
- 7) 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 be approved by the State, provide for the continuance of the same public land use, and provide for the water and mineral rights to stay with the land.
- 8) A funding contract provision will also provide for the possibility that the Kiwanis Club may cease to exist, become bankrupt, or be delinquent in taxes.
- 9) 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 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.

Appendix 1

Public Comments on the Drummond Kiwanis Acquisition Project

Public Comments on the Drummond Kiwanis Acquisition Project

1	Chuck Johnson	Drummond Kiwanis Club	Hall	MT	59837
2	Tony Schoonen	Public Lands/Water Access Associatio	Ramsay	MT	59748
3	Tim Anderson				
4	Sue Peterson		Drummond	MT	59832

Final Upper Clark Fork River Basin Aquatic and Terrestrial Resources Restoration Plans

Susan Wolff	Wolff Designs		Great Falls	MT	59406
Jason Davis			Drummond	MT	59832
Todd Fickler	Fickler Oil Company, Inc.				
Karen DesRosier			Drummond	MT	59832
Gail Leeper	Town of Drummond		Drummond	MT	59832
Lisa Jesse	Drummond Public Schools		Drummond	MT	59832
Donn Livoni	Drummond School District		Drummond	MT	59832
Cari Verlanic					
Krista Johnson					
Tena Popken					
Lynn and Kirk Hash			Drummond	MT	59832
Jamie Parke	Drummond Public Schools		Drummond	MT	59832
Shelley Reid Johnson					
Sue and Randy Peterson			Drummond	MT	59832
Tim Anderson					
Connie Jones					
Jodi Oberweiser	Drummond School District		Drummond	MT	59832
	Drummond Chamber of Commerce		Drummond	MT	59832
Ronald Wetsch			Butte	MT	59701
Tony Schoonen	Public Lands/Water Access Associatio		Ramsay	MT	59748

Coleman, Kathleen

From: Charles Johnson <crjohnsonlaw@hotmail.com>
Sent: Monday, September 16, 2013 9:14 AM
To: Coleman, Kathleen
Subject: RE: meeting agenda an materials

Kathleen,

I have mailed to you a hard copy of the signed buy/sell agreement between Cy Corlett and the Drummond Kiwanis Club. I apologize for not being able to attend the September 18th council meeting. Previously, I had scheduled attendance at a legal conference in Helena for that day and am unable to reschedule that event. Hopefully, other members of the Drummond Kiwanis Club will be able to attend. Following are comments you may read to the council.

As you know, the Drummond Kiwanis Club has accomplished many of the goals towards establishing the Drummond Riverside Park. These include:

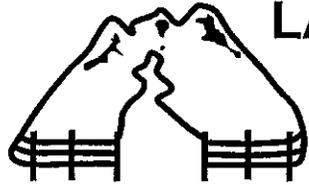
1. We have negotiated and signed an agreement with Cy Corlett to purchase the approximate 32 acre tract for \$50,000. That purchase includes water rights which may be used for irrigation.
2. We have arranged for a survey of the previously unsurveyed tract by Kadrmas, Lee and Jackson of Helena. That survey disclosed that the tract is 31.99 acres in size as compared with the 38 acre size previously estimated by the owner and Department of Revenue. Kadrmas, Lee and Jackson has prepared a preliminary Certificate of Survey.
3. We have obtained a written commitment from Northwestern Energy to grant a permanent access and utility easement into the land being purchased for the park.
4. We have obtained a Commitment for Title Insurance from First American Title Company showing that Cy Corlett has fee simple ownership of the tract which he can convey to the Drummond Kiwanis Club.

In short, we have accomplished many of the goals for acquisition of the property and obtaining a public access easement to insure the public will have access to this important piece of property. Kathleen Coleman's Cost/Benefit analysis on pages 3 and 4 of her NRDP Funding Recommendation Summary is well done and sets out the cost effectiveness and public support for this project. Drummond Kiwanis Club respectfully requests that you approve the funding request for acquisition and development of this park project. Thank you for your consideration.

Chuck Johnson
Treasurer, Drummond Kiwanis Club
P.O. Box 70
Hall, MT 59837
Telephone: 406.288.5000
Fax: 406.288.5001

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PUBLIC
LANDS / WATER
ACCESS
ASSOCIATION, INC.



Post Office Box 2 ■ Ramsay, Montana 59748-0002

To Whom It May Concern: 18 Sept. 2013

Our group, as well as Anzconda Sportsmen and Skyline Sportsmen, favor any acquisition that improves public access and recreational opportunities.

We believe that \$35,300 is a fair price for this parcel along the Clark Fork River.

Your consideration of our comments will be greatly appreciated.

Sincerely,
Tony Schoonen
Director



THE
PUBLIC LANDS
ACCESS
ASSOCIATION INC.

Tony E. Schoonen Sr.
3609 Willoughby Ave.
Butte, MT 59701

Coleman, Kathleen

From: Tim Anderson <tanderson@blackfoot.net>
Sent: Thursday, October 10, 2013 11:00 AM
To: Natural Resource Damage Program
Subject: DRUMMOND

It would be a great addition to a community that needs anything for a better image. A bike path from Drummond to Hall would be a better use....

Thanks, Tim

-----Original Message-----

From: peteronangus@aol.com [<mailto:peteronangus@aol.com>]

Sent: Friday, October 11, 2013 3:42 PM

To: Natural Resource Damage Program

Subject: Drummond Park

Dear Reader: This letter is in support of using NRDP funds to develop the Drummond Kiwanis Park. This park would be of great benefit to the local community and would be outstanding wildlife habitat. Sue Peterson, Box 427, Drummond, MT 59832 Sent from my Verizon Wireless BlackBerry

Attachment 1

of the

Final Upper Clark Fork River Basin Aquatic and Terrestrial Resources Restoration Plans

Drummond Riverside Park Public Comments

From: Susan Wolff [<mailto:susan@wolffdesigns.com>]
Sent: Monday, October 15, 2012 12:11 AM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park Project

To Whom It May Concern:

Let this email serve as public testimony in support of the Drummond Riverside Park Project. Having grown up in Granite County, primarily in the Hall and Drummond areas in the 1950s and 1960s, the community of Drummond was vibrant, economically viable, with multiple opportunities for recreation for residents of all age levels. Once Interstate 90 was completed resulting in local residents traveling more frequently to Missoula for retail and entertainment opportunities and fewer tourists exiting the freeway in Drummond for services, meals, and lodging, the community has suffered economic deprivation.

The Drummond Kiwanis Club has submitted a proposal for funding of the Drummond Riverside Park Project as a means of attracting tourists and "locals" to the community. The park will provide a trail system along the Clark Fork of the Columbia and access for streamside fishing. The eco-system of the park will remain in its natural state providing opportunities to observe local birds, wildlife, and aquatic species while providing opportunities for physical exercise in an ever-changing environment. Montana has limited public access for stream-side fishing. The Drummond Riverside Park will change that and be an attractive place to fish because of the confluence of the Flint Creek with the Clark Fork located here. The new park will expand and enhance opportunities now available with the existing park across the river near the Rodeo grounds. The existing park has picnic areas, an RV park, and a softball field.

Drummond is the gateway to Montana Scenic Highway 1. Funding of the proposed Drummond Riverside Park Project will strengthen the economy of the entire county and region. The cost benefit ratio of the requested funds is positive and sustainable after this initial investment.

In closing, I ask that this proposal be funded. Thank you for the opportunity to provide this public testimony.

Sincerely,

Susan J. Wolff

Dr. Susan J. Wolff
Wolff Designs
PO Box 6967
Great Falls, Montana 59406
541-400-0681 cell

susan@wolffdesigns.com
www.wolffdesigns.com

*"journey to a creative place...dreams
give our imagination a place to
sit and think".
maryanne radmacher*

RECEIVED

OCT 17 2012

NATURAL RESOURCE
DAMAGE PROGRAMJason Davis
P.O. Box 286
Drummond, MT, 59832

To: Natural Resource Damage Program

This is a note letting you know I am in favor of the Drummond Riverside Park Project. I feel this project would be beneficial to the Clark Fork, to the community, and it is a good fit for the type of projects you are looking for. I also feel it would bring business to the local restaurants, store, and gas stations. The walking paths and nature viewing could also benefit the school as a natural way for students to view birds, plants, and other wildlife.

Thank you
Jason Davis

From: Todd Fickler [<mailto:tfickler@montana.com>]
Sent: Wednesday, October 17, 2012 2:53 PM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park Project

I feel the Drummond Riverside Park project is a very worth while project meeting many attributes that the damage program was designed for. The proposed park would provide a unique opportunity for people and the natural species that in habit this area. Wildlife that I have seen on this property in my life time of living in Drummond are; ducks, geese, blue herons, osprey, eagles, deer, beaver, musk rats, and on a few occasions fox, moose, coyotes and bears. By placing this area in a park we can insure that wildlife continues to occupy this space unharmed. The walking trail proposed will allow people to cohabitant with the wildlife and enjoy the beauty that nature has to offer. There are many unique features to this property that aspire to this project. It is located next to the Clark Fork River within walking distance from the town of Drummond and the Drummond City Park. At the Drummond City Park there is a sheltered area with picnic tables, barbecue pit, boat launch and a port potty. The proximity of the city park ties in well with this project. It allows some amenities to be available that just would not be acceptable for the proposed project yet there is a definite separation between the two. The proposed site would also be viewed by those traveling the Highway 1 scenic route between Drummond and Philipsburg. This alone would help serve to draw people to the park and also to show what was accomplished in this restoration effort. I don't see where any future changes from adjacent land owners could have much affect on the proposed property and this includes the view of the landscape beyond the proposed parks borders. I personally think this could be a very neat thing to do. I hope that this project can be carried to the next level. I appreciate the opportunity to voice my opinion and I THANK EVERYONE who has taken the time to consider this project.

Todd E. Fickler
President, Fickler Oil Company, Inc.
tfickler@montana.com
Ph (406) 846-3970
Fax (406) 846-3819

From: Pete & Karen [<mailto:drm3591@blackfoot.net>]
Sent: Monday, October 22, 2012 4:41 PM
To: Natural Resource Damage Program
Subject: Comment on Upper Clark Fork River Basin Project

I am a resident of Drummond, Montana voicing support for the proposed Riverside park. When approached by the landowner about the possibility of the Kiwanis Club acquiring the land, the Club had the foresight to realize its potential, have an appraisal, and look into applying for a grant to take advantage of monies being disbursed by the Department of Environmental Protection for remedial clean up and restoration of locations adversely affected by years of upstream mining and smelting activities by ARCO.

This appears to me to be a project that, as well as remediation and preservation of the wetlands and the floodplain along this section of the Clark Fork River, will provide the means for creation of a park with the possibility of providing recreational amenities for local persons as well as tourists looking for an attractive spot to pull off the road and take advantage of what western Montana has to offer—wildlife viewing, fishing access, and trails for walking or biking.

I hope for an enthusiastic response from town and community members in helping this project move forward.

Count me in!

Karen DesRosier
PO Box 285
Drummond, MT 59832

(406) 288-3591

RECEIVED

OCT 24 2012

NATURAL RESOURCE
DAMAGE PROGRAM

Jim Davis
542 Frontage Road
Drummond, Mt 59832
406 288-3898 c 406 239-4453
jimmy@blackfoot.net

10/21/12

NRDP

PO Box 201425

Helena, MT 59620

Re: Drummond Riverside Park Project (NRDP restoration project)

Dear Committee Members:

I have been told that the Drummond Kiwanis have applied for NRDP funds, \$96,000 to procure and develop a 38 acre park. I urge your committee to allocate the requested funds to the Drummond Kiwanis Club for the Riverside Park, as it is the best project of all proposed projects to the NRDP.

~~The~~ Riverside Park project cost very little compared to the rest of the NRDP proposals. Anglers, Duck Hunters, Jugglers, Nature lovers, from Missoula to Helena, From Butte to Drummond would be able to stop and enjoy this proposed Riverside Park. This would bring a little more commerce to our local businesses which Drummond really needs.

Thanks you for considering to fund Drummond's Riverside Park Project.

Jim Davis

TOWN OF DRUMMOND

114 A STREET

P.O. 195

DRUMMOND, MONTANA 59832

COUNCIL MEMBERS:

JUNE BOWLS, CARY McLURE

MIKE O'DELL, SAM WEAVER

MAYOR:

GAIL LEEPER

CLERK:

FRANKIE JONES

Montana's Natural Resource Damage Program Administrators:

The Town of Drummond is pleased to support the Drummond Kiwanis Club with the Drummond Riverside Park Project. The abstract proposed brings great enthusiasm to our community.

We believe the goal of this project is not only to share the health benefits of mind and body to our natural resources but would potentially boost our economy. The proposed walking path, wildlife viewing and fishing are a pleasing attribute to all who boarder our community.

The Drummond Kiwanis play such an important role in our community by their unceasing volunteerism. They have been superior to work with in the projects the Town of Drummond has accomplished with them. This project will require a strong network of caring and capable individuals. I believe we have that network in our community.

We look forward in working with the Drummond Kiwanis, County Commissioners, and Fish Wildlife and Parks to make this project a success for Drummond and the surrounding regions.

Sincerely,

Gail Leeper Mayor – Drummond Town Council

From: Lisa Jesse [<mailto:ljessedhs@blackfoot.net>]
Sent: Thursday, October 25, 2012 9:30 AM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

To Whom it may concern:

I would like to voice my support on the Drummond Riverside Park project. I feel this would be a great asset to our small community. We all love the great outdoors here in Montana, and this would allow us to teach our children the benefits of exercise and enjoying nature. Anything we can do to help our small community would be great. I hope you will support us in this project.

Thank you,

Lisa Jesse
School Secretary
Drummond Public Schools
PO Box 349/108 W. Edwards
Drummond, MT 59832
406-288-3281 (W)
406-288-3299 (F)

From: Donn Livoni [<mailto:dlivonidhs@blackfoot.net>]
Sent: Thursday, October 25, 2012 9:33 AM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

The Drummond School District is in full support of the proposed Riverside Park. It would be an excellent addition to the community and provide learning opportunities for our students.

Donn Livoni
Superintendent
Drummond School District
PO Box 349
Drummond, MT 59832
406 288-3281 ext. 222

Coleman, Kathleen

From: Cari Verlanic <cverlanic@blackfoot.net>
Sent: Thursday, October 25, 2012 10:56 AM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

To Whom It May Concern:

I would like you to know that I fully support and would utilize a walking trail in Drummond, Montana. I think anytime you have an opportunity to improve and enhance your community it is beneficial to all community members-young and old!

Thank-you,
Cari Verlanic

Coleman, Kathleen

From: Krista Johnson <kristalynne@hotmail.com>
Sent: Thursday, October 25, 2012 11:36 AM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

Dear Natural Resource Damage Program:

I am writing to voice my full support for the Drummond Riverside Park project. By funding this proposal, you will greatly help preserve the natural beauty of the Clark Fork River and its habitat while contributing to a community that would benefit greatly.

The environment around Drummond is a hidden gem. While driving around the area, you often see raptors, deer, elk, heron, pelicans and other wildlife. The water is perfect for fishing, but lacks many access points for both locals and visitors to enjoy the sport. At present, the area has no large areas that are preserved for pedestrian activity.

Creating a riverside park will help the community in so many ways. It will allow people to stop and observe the rich wildlife in the area. It will bring fishermen away from crowded fishing access sites and into our small community. New income from visitors will help to support our local economy. In addition, it will create a place for local people to walk in a beautiful, safe and natural setting. Like so many other communities in Montana, a number of our residents suffer from diabetes and heart problems. Creating a safe trail for walking, away from the highway, will improve the health and fitness of the people in our communities.

I am extremely pleased by this proposal. The Drummond area has been hit hard in the recession, and there has not been enough money available to improve the town. This park is an opportunity to enrich visitors' lives, augment our rural landscape and increase the health and happiness of our citizens. This investment in protecting Montana's natural resources would be money well spent and appreciated.

Sincerely,
Krista Johnson

Krista Johnson
kristalynne@hotmail.com | 406.691.1459
Visit www.KristaLynneJohnson.com.

Coleman, Kathleen

From: Tena Popken <tpopkendhs@blackfoot.net>
Sent: Thursday, October 25, 2012 11:49 AM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

To Whom it May Concern:

I am a resident of Drummond, Montana. I have heard that the Kiwanas is currently trying to get funding to create a Riverside Park with walking trails, picnic area, fishing access, bathroom facilities, etc. I feel that this would be a huge benefit for our community. I know that I would personally use the walking trails several times a week. I have often told people that I wish our community had something like this.

Thank you,

Tena Popken

Coleman, Kathleen

From: lhash@blackfoot.net
Sent: Thursday, October 25, 2012 12:08 PM
To: Natural Resource Damage Program
Subject: Drummond Walking Park

We would like to express my support for the Drummond Walking Park in Drummond Montana. It would be a great benefit to the community.

Thank you,

Lynn and Kirk Hash
840 Drummond Frontage Road
Drummond, Montana 59832

Coleman, Kathleen

From: Jamie Parke <jparkedhs@blackfoot.net>
Sent: Thursday, October 25, 2012 3:48 PM
To: Natural Resource Damage Program
Subject: Potential walking trail park in Drummond

To whom it my concern:

I am writing this e-mail in support for the possible walking trail park in Drummond, MT. What a great addition for the community to enjoy our beautiful surrounding. I believe it would also boost the local economy through drawing in people from the surrounding cities. Thank you for your consideration of this new walking trail park.

Sincerely,

Jamie Parke

Drummond Public Schools
Business Manager/District Clerk
P.O. Box 349/108 West Edwards
Drummond, MT. 59832
406-288-3281 (W)
406-288-3299 (F)

Coleman, Kathleen

From: Shelley Johnson <shelleyreidjohnson@gmail.com>
Sent: Thursday, October 25, 2012 4:13 PM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

The proposal by the Drummond Kiwanis Group and the Drummond Town Council to create a Riverside Park area along the Clark Fork River south of Drummond is a plan that I fully support.

This would allow for the public to have a nice area for recreation, walking, bird watching, picnicing and fishing access to name just a few activities. The site is in an area that is close enough to town and is easily accessible to those wishing to take advantage of the park area. It would provide opportunities for all ages to benefit by its existence and would be a draw for travelers and other residents of the state. It is a large enough area that many activities could be happening at the same time with plenty of room for all to partake.

Recreational access is always needed, and this is a great location for developing such a site.

Thank you for your consideration.

Sincerely,

Shelley Reid Johnson

Coleman, Kathleen

From: Petersonangus <petersonangus@aol.com>
Sent: Thursday, October 25, 2012 8:37 PM
To: Natural Resource Damage Program
Subject: Drummond Riverside Park

This letter is in support for funding the Drummond Riverside Park. The project, proposed by Drummond Kiwanis, would greatly enhance our community and provide benefit to the local schools, as well as protecting important wildlife habitat.

Sue and Randy Peterson
Box 427
Drummond, MT 59832

Coleman, Kathleen

From: Tim Anderson <tanderson@blackfoot.net>
Sent: Friday, October 26, 2012 7:45 AM
To: Natural Resource Damage Program
Subject: Drummond

To All Whom It Concerns:

Drummond Riverside Park:

As of now there really isn't a place to walk except the street. Our sidewalks are great and if you wanted to do any walking you would do it out on a road somewhere. A simple upgrade to our community would be so uplifting, please consider our small community for this project...

Thanks, Tim Anderson

Drummond Teacher/Citizen

From: Connie Jones <cjones@blackfoot.net>
Sent: Friday, October 26, 2012 8:37 AM
To: Natural Resource Damage Program
Subject: Support for proposed park

This letter is in support of the proposed park at Drummond. This community has long needed such a facility and it will definitely be used. Our community has a good mix of youth, young adults and older adults interested in the walking/biking trails and would be a much safer place than walking along Hwy 1, as is currently done.
Thank you.

Connie Jones
Drummond

From: Jodi Oberweiser <librarydhs@blackfoot.net>
Sent: Friday, October 26, 2012 3:04 PM
To: Natural Resource Damage Program
Subject: Drummond Riverside Project

To whom it may concern:

I am writing with enthusiastic support for the Drummond Riverside Project. While the economy has taken its toll on so many communities, I think Drummond has been hit especially hard. Our town maintenance personnel work very hard yet, I still see much that can be done to improve our community. With the improvement to the Drummond Riverside area, I can only imagine that it would spur others to make small changes in other parts of the town. I have lived in Drummond for 27 years and have noticed a new sense of pride brewing among people in our community. After looking "for sale" signs and empty buildings for so many months, it is nice to see that real estate is moving and people are inhabiting these homes again.

With new focus on health and outdoor activities a walking/nature path is especially interesting to me. As a person who tries to stay fit, I regularly walk the same dirt road near my house but would certainly enjoy a more beautiful route. Preserving the natural look of the park is also important to me. As a teacher in our local school, I can think of numerous occasions when our faculty and students could take part in outdoor curriculum in our "backyard" rather than having to visit other communities for nature walks, river studies, and science class observations. It is a thrill to think that you are considering our needs for your project and I hope you will realize how much it will be used and appreciated by the people of Drummond as well as our guests and visitors.

Sincerely,

Jodi Oberweiser

"What a school thinks about its LIBRARY is a measure of what it feels about EDUCATION." - Harold Howe

Jodi Oberweiser
Drummond School Community Library
124 First St.
P.O. Box 349
Drummond, MT 59832
librarydhs@blackfoot.net

(406)288-3700

Comment Received After the Comment Period Deadline

RECEIVED 125

OCT 31 2012

NATURAL RESOURCE
DAMAGE PROGRAM

Drummond
CHAMBER OF COMMERCE

PO Box 364 | DRUMMOND, MT 59832 | 406-288-3553

www.drummondmontana.com

October 24, 2012

Natural Resource Damage Program
Montana Department of Justice
P.O. Box 201425
Helena, MT 59620-1425

To whom it may concern:

We are writing in support of the proposed restoration plan for the Upper Clark Fork River Basin. If adopted, the proposed plan would go a long way toward remedying the ecological damage of decades ago that still haunts us today.

The Drummond Chamber of Commerce appreciates the thoughtful work of the many people who have contributed to the proposed plan for the Upper Clark Fork River Basin. We are particularly pleased to see that a proposal submitted by the Drummond Kiwanis Club has been included in the draft plan. The modest amount of money requested to purchase and restore flood plain property for a nature park is reasonable, fair and overdue. For too long, too little has been done for the small communities between Butte and Milltown.

The plan proposed by the Kiwanis Club would preserve the natural floodplain, including natural wetlands, and would provide a new recreational opportunity for the region. In spite of having a river run through our community, residents and visitors have only one public access point to the Clark Fork. The Drummond Riverside Park project would add a second.

If approved, everyone should feel satisfied that the money invested in Drummond would be spent on fish and wildlife — as was the intent of the NRDP lawsuit. By adopting this plan, you will leave an important legacy of clean water, healthy flowing rivers, and new opportunities for fishing, hunting and other recreational opportunities. We urge you to do just that.

Sincerely,

Members of the Drummond Community Chamber of Commerce

Comment Received After the Comment Period Deadline

NOV 13 2012

NATURAL RESOURCE
DAMAGE PROGRAM

To whom it may concern:

I think the Kwanis Riverside Park is a great project. It is good for the community of Drummond and Granite County. The park will be good tourist area to enjoy because of the wild life and the river.

I believe it is about time Granite County is not left out, in the clean-up projects funding.

The Park will help the safety of joggers and runners, that now use the highways to exercise. It will also be a great educational tool for all ages.

The park will benefit wildlife; by being preserved for further generations to come.

I hope you will consider this park as a project for the future.

Sincerely
Ron Hetch

Upper Clark Fork River Basin Restoration Fund
Quarterly Project and Fiscal Status Report
Fourth Quarter Fiscal Year 2013
August 2013

Background

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

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

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

¹ These restoration plans are available from the NRDP's website at: <https://doj.mt.gov/lands/ucfrb-restoration-plans/>.

Status of County Groundwater Restoration Projects

In October 2012, the Governor approved groundwater restoration plans covering improvements to the Butte and Anaconda drinking water systems to be funded through the Butte and Anaconda groundwater resource accounts that were set up beginning in July 2012. Butte's groundwater plan entails \$30.1 million in improvements to be made over a four year period. Anaconda's groundwater plan entails \$10 million in improvements to be made over a five year period.

FY13 expenses in the Anaconda and Butte groundwater resource accounts cover three types of costs: 1) NRDP staff time to review county groundwater plans, to develop contracts to implement those plans, and to review invoices and reports; 2) a proportionate share of NRDP general administration and the Clark Fork Watershed Education Program costs (27% to Butte groundwater account; 9% to Anaconda groundwater account); and 3) the Counties' direct costs to implement the approved plans.

Anaconda Deer-Lodge City-County (ADLC) began implementing their \$10 million, 5-year groundwater restoration plan pursuant to a contract agreement finalized with the NRDP in March 2013. That agreement provided for reimbursement of the ADLC's implementation costs incurred after the October 2012 plan approval date, and also for reimbursement of the ADLC's costs to develop the restoration plans that were incurred after the Governor's approval of the May 2012 *Final UCFRB Interim Restoration Process Plan*. As of FYE13, ADLC had completed its Phase 1 East Cross Streets Water Main design work and installation of some meters, with 1.6% of its overall budget expended.

In winter 2012/13, Butte-Silver Bow City-County (BSB) and NRDP staff worked to develop a contract to implement its approved groundwater plan for \$30.1 million. This contract, however, was not finalized due to BSB's reorganization of its water utility division in winter 2013 and subsequent re-evaluation of the necessity/cost-effectiveness of the improvements covered in the 2012 groundwater plan. Based on a recent meeting, the NRDP and BSB will finalize a contract for the Big Hole Transmission Line Replacement part of the 2012 groundwater plan for \$7.2 million. In fall 2013, BSB will revise its master plan and submit a new groundwater plan for other improvements to be funded by the remaining \$22.9 million. This plan will be the subject of public review and considered by the Advisory Council and Trustee Restoration Council prior to the Governor's approval decision.

Status of Aquatic and Terrestrial Restoration and Recreation Projects

Group 1 Aquatic Flow Projects:

The *2012 Restoration Plans* identified nine potential flow augmentation projects as the highest priority for project development and due diligence work by the State and Project Sponsors in 2013. Work on these Group 1 projects to date has mainly involved water rights and flow assessment tasks and coordination tasks needed to determine the likely flow benefits and viability of the projects, and completing the needed contract agreements with Project Sponsors for this project development work. The NRDP has executed master contracts with the Clark Fork Coalition and Trout Unlimited that cover general flow project management and development tasks on five Group 1 projects: Pauley Ranch, Helen Johnson, Whalen/Westside Ditch, Clark Fork River above Deer Lodge, and Harvey Creek flow improvement projects.

Work is also occurring to varying degrees on the four other Group 1 flow projects, as well as on basin flow monitoring efforts, as described below:

- **Silver Lake Water System flow project:** Butte-Silver Bow is in the process of negotiating revisions to its industrial water user agreements to determine what it can offer in terms of potential instream flow to the State and to resolve some of the concerns the State raised regarding this potential water rights transaction that were summarized in the State's response to comments document on the *2012 Restoration Plans*.
- **Clark Fork Meadows flow project:** This project is being evaluated as a potential land acquisition project. Title and appraisal work were completed in spring 2013. Water rights would be transferred to the State, if the land acquisition is approved. The NRDP provided the appraisal to the property owner in June 2013. No further work will occur on this project unless the property owner indicates consent to the State's appraised value.
- **Flint Creek and Racetrack Creek Group 1 direct flow projects:** These projects are still at the conceptual, scoping stage. The Racetrack Water Users group is evaluating whether it wants to pursue organizing into a legal entity, such as a water district or irrigation association, associated with exploring options with the NRDP and Clark Fork Coalition of increasing stored water at numerous impoundments in the drainage for instream flow purposes. The Clark Fork Coalition and NRDP will meet with the Flint Creek Watershed Group to determine what, if any, potential flow project prospects might be worth exploring in the near future. A funded grant project is being implemented that involves a storage water right for Racetrack Lake (see page 8).
- **Flow Monitoring:** In July 2013, the NRDP executed a task order with the Clark Fork Coalition to conduct temperature and stream flow monitoring that will assist with evaluation and prioritization of the Group 1 projects.

Aquatic Non-Flow Projects:

Work on the non-flow aquatic projects in priority watershed areas has mainly involved evaluation of current riparian habitat conditions and fish passage/entrainment problems in the five watersheds targeted for work in 2013/14 in the *2012 Restoration Plans*, and completing the needed contract agreements with Project Sponsors for this work. These assessment efforts will lead to the development and implementation of projects that will protect/enhance riparian habitat, improve fish passage, reduce fish entrainment, and/or improve in-stream habitat.

The NRDP has executed master contracts with two Project Sponsors, the Watershed Restoration Coalition and Trout Unlimited, for work on non-flow aquatic projects. Task orders with Trout Unlimited have been executed for project management, fish passage and entrainment assessments, and related prioritization tasks for restoration work being considered in the Browns Gulch, Blacktail Creek, Little Blackfoot River, and Flint Creek watersheds. Another task order executed with Trout Unlimited for the Harvey Creek watershed involves installation of riparian fencing and the design/installation of a fish screen. Task orders with the Watershed Restoration Coalition have been executed for project management, riparian and instream habitat assessments, and related prioritization tasks for restoration work being considered in the Browns Gulch and Blacktail Creek watersheds. Task orders with the Watershed Restoration Coalition are currently

being developed for similar assessment/prioritization work in the Little Blackfoot River watersheds and for engineering design work on the Kohrs Manning Ditch in the Cottonwood watershed.

The NRDP developed monitoring and maintenance task orders for work at the Milltown site, including vegetation monitoring and annual maintenance, minor channel maintenance and completion of the Federal Emergency Management Agency floodplain mapping that involves a 50% cost-share with the Environmental Protection Agency. No significant work is planned for 2013.

A concrete fish barrier will be constructed on Silver Bow Creek approximately one mile upstream of Fairmont Bridge. The purpose of the barrier is to eliminate migration into upper Silver Bow Creek of both rainbow and brown trout to allow the native westslope cutthroat trout, coming preliminarily from German Gulch, to persist from the barrier to Butte in Silver Bow Creek without risks of hybridization and competition from the mentioned species, respectively. Fish barrier construction is a specific work component of DEQ's 2013 remedial bid package for the last three miles of Silver Bow Creek along Durrant Canyon. Construction will begin in summer of 2014 and be completed by mid-October, 2014. DEQ's 2013 bid package also covers the removal of about 7,000 cubic yards of streamside tailings from lower German Gulch, which will also occur in 2014. The *2012 Restoration Plans* allocated aquatic priority funds for both the fish barrier and tailings removal work that will be implemented by DEQ. These were tasks that were dropped from the 2005 German Gulch grant (see page 7).

The NRDP has developed a task order with GEUM Environmental Consulting for the development of a Watershed and Basin Monitoring and Maintenance Plan. This Plan will be used to guide maintenance and monitoring of aquatic resources at the project, watershed, and basin level to gauge the effectiveness of funded activities in meeting the aquatic restoration goals set forth in the *2012 Restoration Plans*.

Terrestrial Projects:

Work in FY13 has involved land transaction due diligence steps, such as title work and appraisal work, on four potential acquisition projects that would be funded either entirely with terrestrial priority funds or through a combination of terrestrial and aquatic priority funds:

- 1) **Confluence property:** This 202 acre property located near the confluence of Rock Creek and the Clark Fork River is being considered for partial funding by the State. In June 2013, the NRDP issued its funding recommendation document on this project for public comment. The Advisory Council and Trustee Restoration Council will make their funding recommendations on this project at meetings to occur in September and October 2013, with the Governor's approval decision to occur soon thereafter.
- 2) **Garrity Mountain Addition property near Anaconda:** The NRDP, in coordination with the Montana Department of Fish, Wildlife and Parks (FWP) and The Conservation Fund, have reviewed the title and appraisal work for this 640 property located east of and adjacent to the Garrity Mountain Wildlife Management area. The Conservation Fund is now conducting negotiations with the property owner for a purchase price at or below the State's appraised value.

- 3) **Clark Fork Meadows property near Galen:** See update on p. 3 under flow projects.
- 4) **Harris Property near Milltown:** The NRDP has reviewed the title work and commissioned appraisal work on this 160 acre property located east of and adjacent to the Milltown properties conveyed by NorthWestern Corporation to the State in 2010.

The NRDP is also working with Five Valleys Land Trust and FWP on other potential land acquisition prospects included in the *2012 Restoration Plans*, although this work is more at the conceptual planning stage and has not involved any due diligence tasks, such as title and appraisal work.

Three terrestrial monitoring efforts are underway or in the planning stages:

- 1) The NRDP executed a contract with the Avian Science Center for bird monitoring at FWP Wildlife Management Areas (Spotted Dog and Blue Eyed Nellie) during spring 2013. This is one component of the terrestrial monitoring covered in the *2012 Restoration Plans*.
- 2) In July 2013, the NRDP executed a contract with a consulting ecologist to develop a watershed-scale analysis of beaver habitat suitability and identify passive restoration and non-lethal beaver management opportunities to facilitate stream restoration in the UCFRB.
- 3) The NRDP worked with the Granite Headwaters Watershed Group to develop a scope of work and budget for the coordination of a study on the nature, extent, and impacts of mercury contamination in Flint Creek. The Headwaters Group's newly hired watershed coordinator will compile available information first before further planning this study.

Recreation Projects

The NRDP has been working with Project Sponsors on needed project development and due diligence tasks on five of the six recreation projects included in the *2012 Restoration Plans*. These projects are funded with the proportionate allocations of aquatic and terrestrial priority funds identified in the *2012 Restoration Plans*.

- 1) **Drummond Kiwanis Riverside Park:** Survey, title, and appraisal work has been completed. The NRDP has reviewed and accepted a buy/sell agreement that the Project Sponsor, Drummond Kiwanis, is seeking to execute with the landowner. The NRDP plans to issue its funding recommendation document for public comment in September 2013. After public comment, the Advisory Council and Trustee Restoration Council will make their funding recommendations for a final approval decision by the Governor.
- 2) **Deer Lodge Trestle Park:** Additional conceptual design work for the Deer Lodge Trestle Park is being conducted by the consultant for Powell County. The NRDP and Powell County will execute a phased contract that will enable the County to conduct some initial tasks that will not conflict with the remedial investigation work being conducted by DEQ.

- 3) **Washoe/Hafner Dam Parks:** The NRDP and Anaconda-Deer Lodge City-County executed a contract for a LIDAR survey at Washoe Park that will help the County decide on priorities for NRDP-funded improvements. The survey was completed in July 2013. The County has hired a project coordinator and is now developing the scope of work for the next project phase.
- 4) **Milltown State Park:** FWP and NRDP are working out a memorandum of agreement for the Milltown State Park project work covered under the *2012 Restoration Plans*. Most of the recreational trail and access feature development work at the Park conducted in 2013 is being done pursuant to the 2009 Milltown State Park grant (see update on p.7).
- 5) **Bonner Dam Removal:** The NRDP has set up an interagency agreement with the Department of Natural Resources and Conservation (DNRC) to remove the remains of the Stimson Dam on the Blackfoot River in fall 2013.

In fall 2013, FWP will begin the planning work to decide on the scope, budget, and timeframe for the improvement of existing, or development of new, fishing access sites along the Clark Fork River. Starting in 2014, FWP will conduct this work in a phased manner over a few years, focusing first on improvements to existing fishing access sites.

Status of Encumbered Grant Projects as of FYE13

Of the 122 grant projects approved for funding totaling about \$119.6 million between 2000 and 2010, 21 remain to be completed. Fiscal report #5 indicates the general status and amount remaining to be spent for each of these active projects. The total remaining to be spent for all projects is about \$15.4 million. Final reports on the completed grant projects are available from the NRDP upon request.

Active Grant Projects Pending Final Invoicing/Reporting

Work on the following five projects has been completed. The projects will be closed out once final invoicing, reporting, and project close-out documentation is completed.

Johnson/Cottonwood Creek Trail (2007 grant): final invoice/report submittal pending;

Thompson Park Improvement (2007 grant): final invoice/report submittal pending;

State of Georgetown Lake 3-year Study (2008 grant): final invoice/report received;

Warm Springs Ponds Improvements (2009 grant):² final report pending; and

Anaconda Waterline Year 9 (2010 grant): final invoice/report received.

Active Grant Projects in Operation and Maintenance Phase

The following four projects have been completed, except for operation and maintenance activities that have been approved for multiple years following project completion.

²These active projects were incorrectly omitted from the 3rd quarter FY13 report.

Duhamé Acquisition (2005 grant):² FWP acquired this 1,745 acre property in 2006 and manages it as a state wildlife management area. Site operation and maintenance activities will continue through the end of 2013.

Blue Eye Nellie Moore acquisition (2009 grant): FWP acquired this 30 acre property in 2010 and now manages it as part of a state wildlife management area. Limited weed control activities remain to be completed; close out to occur next quarter.

Paracini Pond acquisition (2009 grant): Acquisition of the 272 acre Paracini property occurred in 2011. The grant, which also involved some limited site cleanup activities, was closed out in July 2013. Remaining grant funds will be used to conduct routine site cleanup through an independent contractor until remediation and restoration work begin on the property.

Spotted Dog acquisition (2010 grant): FWP acquired this 27,497 acre property in 2010 and now manages it as a state wildlife management area. FWP will continue its operation and maintenance and fencing activities approved for grant funding through December 2016.

Active Grant Projects with Work Remaining

Work remains to be completed on the following 12 projects.

Big Butte Acquisition (2005 grant): Butte-Silver Bow has completed all acquisition activities, resulting in the addition of 305 acres to the county-owned Big Butte Open Space Park. Some limited fencing repairs and trail user amenities remain to be completed. Pursuant to a modification approved by the Governor in July 2013, the remaining budget will go towards operation and maintenance activities.

German Gulch Watershed (2005 grant): George Grant Chapter of Trout Unlimited (GGTU) has completed the stream restoration, recreational trail, fish passage, instream flow augmentation, and acquisition tasks aimed at improving the fish and wildlife habitat and associated recreational opportunities in German Gulch. The fish barrier and tailings removal tasks of this grant will be covered by aquatic and terrestrial priority funds allocated in the *2012 Restoration Plans* and implemented by DEQ in conjunction with Silver Bow Creek remediation activities. GGTU plans to complete the remaining monitoring, weed control, and signage tasks in 2013/14, with project close-out expected by the end of 2014.

Milltown Bridge Pier and Log Removal (2009 grant): Starting late September/early October 2013, the remaining grant funds will be used to remove logs that are creating a hazard to river recreationalists and some of the debris along the Blackfoot River between the Weigh Station Fish Access Site and the Pedestrian Bridge. This work is being done in conjunction with the removal of the Stimson Dam, which is being removed pursuant to the *2012 Restoration Plans*. Project close-out is expected by the end of 2013.

Milltown/Two Rivers Recreational Facilities and Access (2009 grant): FWP is continuing to work on Park access and development of the design for the Confluence and Gateway portions of the Milltown State Park. The Governor approved a grant modification in July 2013 to allow FWP to evaluate alternative access routes into the Confluence area, as well as to continue with negotiations with International Paper on access through their property to the Confluence area.

Restoring Fish in East Fork Rock Creek (2009 grant):² DNRC is managing this grant for the design and installation of a fish screen on the East Fork of Rock Creek. DNRC contractors developed a design for the fish screen that also includes a diversion, funded by others. This project was delayed while DNRC negotiated with the US Forest Service for a permit modification to allow them to install the structure. DNRC has awarded a contract for this work and will be constructing this project fall of 2013.

Cottonwood Creek Habitat Enhancement (2010 grant): The Watershed Restoration Coalition is implementing several projects aimed at improving instream flows, aquatic habitat, and fish passage through irrigation efficiency improvements, stock watering and grazing management, and culvert and diversion design. All goals are essentially complete except the two water right change applications, which will be completed soon and then submitted to DNRC.

Development Acid/Heavy Metal Tolerant Releases (2010 grant): The Deer Lodge Valley Conservation District and the Natural Resources Conservation Service Bridger Plant Materials Center are continuing previous grant efforts to develop a seed supply of native plant species that are best adapted to the climatic and acidic/heavy metal soil conditions of the UCFRB. This third grant did not start until summer of 2013 due to staff changes. A new project leader was hired in August 2013, and work will extend through 2016.

Butte Waterline Year 10 (2010 grant): Butte-Silver Bow completed all waterline replacement activities in 2011/12, replacing 14,444 feet total of lines. Remaining funds will be used to fund additional meters, with a contract expiration date of December 2014.

Butte Children's Fishing Pond (2010 grant): Butte-Silver Bow is developing a children's fishing pond and a recreational trail system in the Hillcrest area of Butte. Construction is ongoing with an opening expected in spring 2014.

Maud S Canyon Trail/Open Space (2010 grant): The East Ridge Foundation, in cooperation with the Forest Service, is improving and expanding the trail system at Maud S Canyon east of Butte. Construction is complete and the trail is open for public use. Final invoicing and reporting remain to be completed, with project close-out expected by the end of 2013.

Racetrack Creek Flow Restoration (2010 grant):² The State partially funded the Clark Fork Coalition's acquisition of a Racetrack Lake water right in late 2011. The Clark Fork Coalition is pursuing a change of use process through DNRC so that this water right can be dedicated to instream flow. In July 2013, DNRC issued a draft preliminary determination to deny the Coalition's change application for both this right and a Racetrack Creek direct flow right. The Coalition plans to continue its efforts to obtain a change authorization.

Silver Bow Creek Greenway (multiple years grant): In FY13, the Greenway Service District:

- completed the land acquisitions, easements, trail design/engineering work, and access agreements needed to construct access improvements on two miles of Silver Bow Creek (SBC) west of Rocker (Reaches C and D), which were completed in July 2013.

- secured needed permits and easements and completed the design and engineering of trail along 1.4 miles of SBC downstream of Fairmont bridge (Reach P), which is scheduled to be completed in August of 2014.
- negotiated a partnership with the Montana Department of Transportation for the installation of a pedestrian tunnel under the Crackerville Road in spring 2014.
- completed design and engineering for two railroad underpasses, trailhead, and trail improvements, three easements with DEQ, and negotiations with Butte-Silver Bow needed for construction of access features along two miles of SBC near Ramsey (Reaches E and F). Construction of Reach E improvements will occur in 2014.
- commenced contracting with Confluence Consulting to evaluate opportunities for additional stream restoration work in both the lower and upper reaches of SBC.

The Greenway Service District plans to complete the Golden Technologies Land Exchange involving a 131 acre parcel near Crackerville in 2014.

Status of Other Encumbered Projects

Milltown Restoration: Work covered by the \$9.6 million allocation has been completed; a few invoices remain to be paid from the remaining funds in this allocation.³

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

³ The remaining amount of \$18,051.05 for FYE13 is more than the remaining amount indicated on the 3rd quarter FY13 report because DEQ reimbursed NRDP in the 4th quarter of FY13 for some of the floodplain mapping occurring in 2013 that was a joint remediation/restoration effort.

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	\$15,337,508.24
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 MONITOR 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 MONITOR 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		