CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Jens Land Banking Sale
Proposed Implementation Date:	June 2008
Proponent:	Amadeo F. Angelo
Location:	S1/2, S1/2N1/2 Section 28 T10N R11W
County:	Powell

I. TYPE AND PURPOSE OF ACTION

The proposed action is to offer for sale, at public auction, 480 acres of state land currently held in trust for the benefit of Common Schools. Revenue generated from the sale of this parcel would be deposited in a special account used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income generation and potential for multiple use. The new parcel/parcels would then be held in trust for the benefit of Common Schools. This proposed sale is being initiated through the Land Banking Program (Montana Code Annotated 77-2-361) that was approved by the Legislature in 2003. The purpose of this program is to allow the Department of Natural Resources and Conservation to dispose of parcels that are isolated, produce low income and allow the Department to purchase land with legal public access that can support multiple uses and will provide a rate of return equal to or greater than the parcels that were sold. Additionally, this program allows for the Trust land portfolio to be diversified, by disposing of grazing parcels that make up a majority of the Trust land holdings and acquire other types of land, which typically produce greater return on investment.

II. PROJECT DEVELOPMENT

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

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

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

The grazing lessee was contacted by telephone in January of 2008 to determine if he was interested in purchasing this parcel. On February 26th of 2008 a nomination for land parcel sale was submitted by Mr. Angelo along with the appropriate fee.

A letter, requesting comments be submitted by 5p.m. Thursday, April 10th, 2008, was sent to interested parties including adjacent landowners, the Powell County Commissioners, Land Board members, legislators, government agencies, special interest groups and others. A complete list of the individuals contacted is included as an attachment to this EA.

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

None

3. ALTERNATIVES CONSIDERED:

Alternative A, Participate in Land Banking: Offer 480 acres of State Land for sale at public auction that will be subject to statutes addressing the sale of State Land found in M.C.A. 77-2-301 et seq. Proceeds from the sale would be deposited in the Land Bank Fund to be used in conjunction with proceeds from other sales for the purchase of land, easements, or improvements for the beneficiaries of the respective trusts, in this case the Common School. If a sale is consummated, the State would not be able to control the type of future

development or activities that could occur on the surface estate. However, per M.C.A. 77-2-304 the State would retain the subsurface mineral rights.

Alternative B, No Action Alternative: Defer inclusion of this tract in the Land Banking Program.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

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

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

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

This partial DNRC ownership of 480 acres is located on deep alluvial and valley deposits south of the Clark Fork River. No sites with unique geology or unstable slopes were identified on the parcel proposed for exchange. Predominant soils are deep Martinsdale and Danvers loams on gentle 4 to 15 percent slopes with small areas of Boxwell loams in draws with slopes up to 35%. These are well drained soils that tend to be droughty and support grasslands. Erosion potential is low to moderate. Historic management has been grazing with no apparent negative cumulative effects. There is a pipeline corridor along the southeast corner of the parcel. No EPA Toxic Release Sites or DEQ Remediation sites are located on this parcel. No soil disturbance activities are planned as part of this action.

There would be low risk of direct, indirect and cumulative impacts to geology and soil quality or stability as a result of implementing the proposed action or no-action alternatives.

Under alternative B there would be no change from existing uses of this tract.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

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

This grassland parcel is located approximately 1 mile southeast of Jens, Montana, within the Upper Clark Fork watershed. North of the DNRC ownership, the Clark Fork River is listed as water quality impaired, and a TMDL (total max. daily load) is required to address factors causing the impairment. The MT DEQ is in the process of developing a TMDL plan for the Upper Clark Fork River. There are two short intermittent streams (not listed as impaired) that originate on the DNRC parcel and seasonally flow to the Clark Fork River. There is a spring and associated water right within this parcel, but no other water rights on this parcel. Any proposed water right uses would require an application for a beneficial water use through the permit process administered by DNRC's Water Rights Bureau. No pollution related impairments have been identified for this area. Thus, there is low risk of direct, indirect or cumulative effects to water quality or beneficial uses anticipated with both the action and no-action alternative.

6. AIR QUALITY:

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

This parcel of land is located approximately 10 air miles south east of Drummond Montana. We do not expect any direct or cumulative effects to air quality under either alternative.

7. VEGETATION COVER, QUANTITY AND QUALITY:

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

Noxious weeds, principally Spotted knapweed (*Centauria maculosa)* occurs in the area across ownerships, and also on the DNRC parcel. There would be minimal if any change in noxious weeds with the proposed action.

The primary vegetation type on this parcel is native grass. Livestock grazing is the principal land use. We expect that whoever would buy the parcels would continue to graze livestock at the current stocking levels. Some timber exists on the North end of section 28 and in the draws. The quality of this timber is low and it is located on a steep slope and therefore hard to manage. We don't expect any direct or cumulative effects would occur to vegetation as a result of the implementation of either alternative.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

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

Bald Eagles—There are two bald eagle territories near the affected parcel: the Dunkleberg territory, approximately 2.5 miles to the west; and the Gold Creek Exit territory, approximately 1.5 miles to the east. All of the lands surrounding the affected parcel are part of working ranches. As such, the affected parcel would likely remain under current uses (grazing). Because of the distances from the nearest bald eagle territories, development on the parcel would likely have minimal risk of direct, indirect, or cumulative effects to this species. As a result, the proposed action of auctioning the affected parcel to the highest bidder would likely have minimal risk of direct, indirect, or cumulative effects to bald eagles.

Gray Wolves—The recently discovered Flint Creek wolf pack resides approximately 2.75 miles southwest of the affected parcel. This pack has been involved with prior livestock depredations, and had subsequent removals of offending individuals by USDA Wildlife Services. An adjacent rancher currently has the grazing lease for >200 AUMs on the affected parcel. Should one of the adjacent ranches purchase the parcel and maintain it as part of their working ranch, there would likely be little change from current conditions for wolves.

Big Game Winter Range—Various portions of the affected parcel contain grassland winter range for both mule deer and elk. What few trees occur on the parcel are located in the parcel's draw features, and are deciduous. Thus, there is no snow intercept cover for big game on the parcel. As previously discussed, should one of the adjacent ranches purchase the parcel and maintain it as part of their working ranch, there would likely be little change from current conditions for mule deer and elk winter range.

There are no streams that support fisheries within the DNRC parcel. There would be no direct, in-direct or cumulative effects to aquatic life or fish with implementation of the action or no-action alternatives.

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

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

No fish species, sensitive wetlands or sensitive plants occur on the DNRC parcel. There would be no direct, in-direct or cumulative effects to aquatic life or fish with implementation of the action or no-action alternatives.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

It is currently unknown if cultural or paleontological resources are present in the parcel nominated for sale through the Land Banking Program.

Alternative A – A Class III inventory for Antiquities would be conducted prior to disposition of the tract.

Alternative B – No inventory would be accomplished under this alternative

11. AESTHETICS:

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

No direct or cumulative impact to aesthetics is anticipated under either alternative.

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

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

Alternative A - This 480 acres of school trust land represents a fraction of the 5.2 million acres of trust land statewide. State law and administrative rules, limit the sale of trust land to a maximum of 20,000 acres prior to purchasing replacement lands. The potential sale of these parcels would affect an extremely small percentage of the school trust lands if replacement land was not purchased before the statute expires and even less impact if replacement land is purchased as anticipated.

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

Alternative B – There would be little to no change from existing management on the tract. No additional demands on resources would occur.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

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

Grazing lease range evaluations have been conducted on these parcels and are in the Department files.

IV. IMPACTS ON THE HUMAN POPULATION

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

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur under either alternative.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

This parcel is currently being grazed by livestock and has a carrying capacity of 282 AUM's with little potential to increase.

Timber harvest potential is low because existing timber is hard to get to and of poor quality making its value very low.

Little or no impacts are anticipated under either alternative.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

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

Implementation of either alternative would not have any affect on quality and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

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

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

Alternative B – No change to the existing tax base.

18. DEMAND FOR GOVERNMENT SERVICES:

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

Implementation of either one of these alternatives would not impact governmental services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

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

The parcels are currently in district #1 and are zoned for no tracts less then 5 acres. Any proposal to develop these properties would be subject to review and approval under state and local regulations.

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

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

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

This parcel of state land is not accessible to the public. Neither alternative would provide additional access for recreation.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

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

Neither alternative would require additional housing or change the area's population.

Alternative A - It is unknown what land uses would occur under new ownership. Any future proposal to develop the property would be subject to review under state and local regulations.

Alternative B – No change from existing uses.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted under either alternative.

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

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

Alternative B – No change

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

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

This parcel currently has a Grazing Competitive Bid for 141 Animal Unit Months at a rate of $20.00/AUM x 141 AUM's generating an income of $ 2,820 annually or approximately $5.87/acre in 2007 ($2.03/ac. if it reverts to the minimum charge). Based on DNRC's Annual Report for Fiscal Year 2007, average income for each of the different land classifications is:

Grazing	$1.88/ac.
Agriculture	$16.82/ac.
Forest	$4.97/ac.
Real Estate	$363.39/ac.

This parcel is above the average revenue per acre for grazing and forested ground. There is no indication this parcel, if remaining in state ownership, would be used for purposes other then grazing and some minor forestry work. When the current lease period ends, the bid rate may revert to the minimum rate which currently is $6.94, unless another competitive bid is received. If the lease rate reverts back to the minimum it would generate approximately $2.03/ac which is above the grazing average rate of return.

The Land Banking statute requires that land acquired as replacement property through Land Banking is "likely to produce more net revenue for the affected trust than the revenue that was produced from the land that was sold" (Section 77-2-364 MCA). Property considered for acquisition will include cropped or irrigated land, and/or land with recreational, timber, or commercial potential. All these land classifications or uses presently produce a higher rate of return on State Trust land than the average parcel of State Trust grazing land.

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

EA Checklist Prepared By:	**Name:**	Fred E. Staedler Jr.	**Date:**	4-22-08
	Title:	Anaconda Unit Manager		

V. FINDING

25. ALTERNATIVE SELECTED:

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

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

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

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

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

	EIS		More Detailed EA	**X**	No Further Analysis

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