



**Montana Fish,
Wildlife & Parks**

Region One
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Ref:DV138-04
September 21, 2004

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SEP 21 2004

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Ladies and Gentlemen:

Montana Fish, Wildlife & Parks (FWP) has completed a draft Environmental Assessment (EA) for the Bull River/Lake Creek Conservation Project located on the watershed divide between the Bull River in Sanders County and Bull Lake in the Lake Creek drainage, Lincoln County (28N, R33W, S9 and portions of S4, 10, 15, and 16). FWP proposes to acquire in fee two properties totaling approximately 1,321 acres and receive a donated conservation easement on 559 acres of Avista land. The purposes of the land purchase and conservation easement are to protect the fish and wildlife habitat on the properties and provide public access for compatible recreational purposes in perpetuity.

An open house beginning at 6:00 pm followed by a presentation and public hearing at 7:00 pm on the proposal will be held at:

- **Troy High School auditorium on Wednesday, September 29, and**
- **Noxon Fire Hall on Thursday, September 30.**

Comments received at these hearings will be entered into the project record.

You may also submit comments in writing or by e-mail to Gael Bissell, Habitat Conservation Biologist, FWP, 490 N. Meridian Road, Kalispell, MT 59901; phone: (406) 751-4580; e-mail: gbissell@state.mt.us. Comments must be received by **October 22, 2004**.

If you have questions, contact FWP Wildlife Biologist Bruce Sterling at (406) 827-4389 or e-mail to bsterling@state.mt, or contact Gael Bissell (see above).

Sincerely,

Daniel P. Vincent
Regional Supervisor

/ni

Enclosure

c: Governor's Office, Attn: Todd O'Hair, PO Box 200801, Helena, 59620-0801

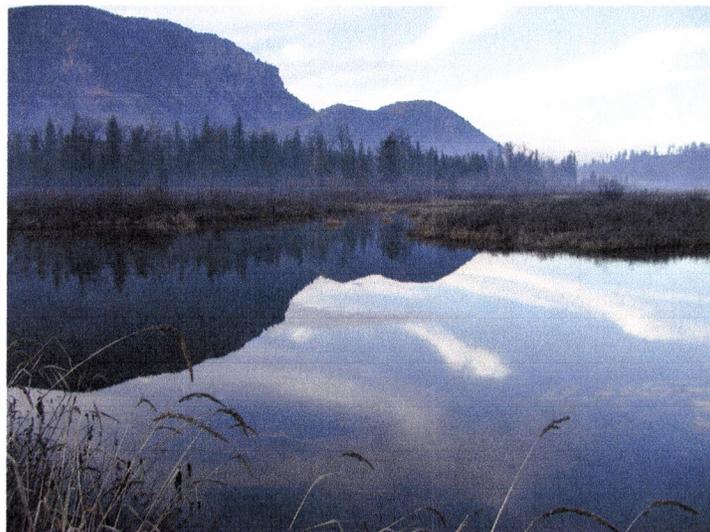
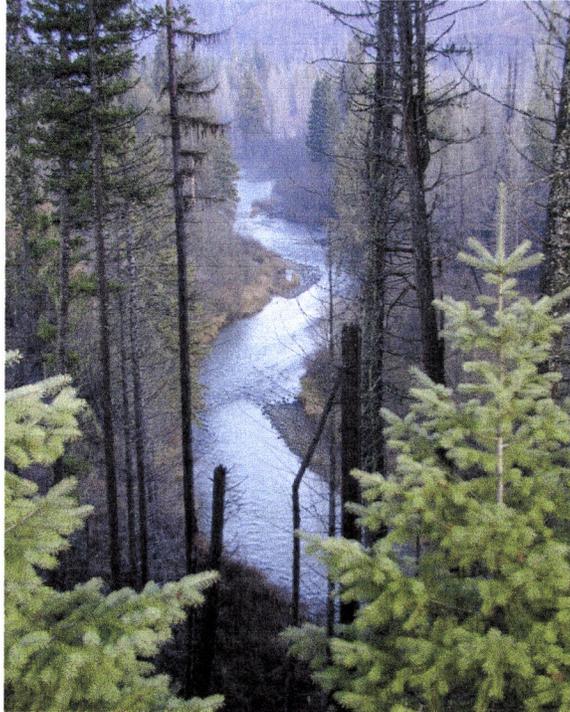
FWP Commission

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Bull River/Lake Creek Conservation Project
Draft Environmental Assessment
September 21, 2004



Montana Fish, Wildlife and Parks
490 N. Meridian Rd.
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Bull River/Lake Creek Conservation Project
Draft Environmental Assessment
September 2004

EXECUTIVE SUMMARY

The Bull River/Lake Creek Project comprises a series of real estate transactions in northwestern Montana that will place almost three square miles of outstanding fish and wildlife habitat under conservation management. The Department proposes to purchase two properties totaling approximately 1,281 acres (consisting of 1,164 acres currently owned by Plum Creek Timber Company and 117 acres now owned jointly by Avista Corporation and The Conservation Fund), receive by donation an additional 40 acres of Avista/The Conservation Fund land, and receive a donated conservation easement on 559 acres of Avista land. These contiguous properties are located approximately 20 miles south of Troy at the watershed divide between the Bull River headwaters in Sanders County and Bull Lake in the Lake Creek drainage of Lincoln County.

The primary goals of the project are to preserve the integrity of important stream habitat for native bull trout and cutthroat trout; to maintain a wild-country corridor that allows grizzly bears, lynx, and other wide-ranging wildlife to travel between the East and West Cabinet Mountains; to prevent residential subdivision of important winter range for elk, moose, and deer; and to provide public access for compatible recreational uses. Key habitat components include a large wetland complex that feeds directly into the Bull River, a mile of the Bull River main stem, three-quarters of a mile of Ross Creek, a wetland near the mouth of Ross Creek, a half mile of shoreline on Bull Lake, and productive uplands with a regenerating coniferous forest and a diversity of upland shrubs and grasses. The properties, bordered by Forest Service land on most of three sides, are at high risk of sale for residential subdivision if not conserved through this project.

The total market value of the 1,281 acres to be purchased by the Department is estimated at \$4.61 million (\$3,600/acre). In federal fiscal year 2003 the U.S. Fish & Wildlife Service awarded the Department a \$1 million Habitat Conservation Plan (HCP) land acquisition grant for the Bull River/Lake Creek Conservation Project, and the Department has applied for an additional \$3.61 million under the HCP program in FY 2004. These grants require that state or private sources provide a 25% funding match in the project area; the value of the donated 559-acre conservation easement is anticipated to meet this requirement. Avista and The Conservation Fund will donate to FWP, in fee, a 40-acre parcel acquired with partial funding through a grant under the North American Wetland Conservation Act.

Lands acquired in fee by the Department will become a wildlife management area, open to the public for hunting, fishing, wildlife viewing, hiking, horseback riding, and other nonmotorized day uses compatible with habitat conservation and wildlife security. Walk-in access will be provided from a small parking area to be developed along Highway 56 and from pullouts on the two county roads. The wildlife management area may be closed to public use from December through mid-May as necessary to provide for winter wildlife security.

Avista's management of the 559-acre conservation easement property will emphasize the protection of fish and wildlife habitat. The terms of the conservation easement will prohibit subdivision, residential development, and most commercial uses, while allowing managed recreational use by the public.

The Bull River/Lake Creek Conservation Project will have minimal impact on property tax revenue to the counties. For lands owned in fee, FWP makes annual payments to the counties equal to the annual property taxes assessed on equivalent private property. For lands subject to a conservation easement held by FWP, the private landowner continues to pay property taxes at the same rate as land was assessed prior to the conservation easement.

No significant adverse environmental impacts are anticipated from the FWP land acquisitions to be undertaken through the Bull River/Lake Creek Project. Long-term environmental benefits include conservation of important habitat for at-risk wildlife species and protection of water quality in headwater streams, rivers, and wetlands.

1. INTRODUCTION

The purposes of this draft environmental assessment (EA) are to describe the Bull River/Lake Creek Conservation Project (the Proposed Action), evaluate its environmental impacts, and provide the opportunity for public comment.

The Bull River/Lake Creek Conservation Project is a collaborative effort of Fish, Wildlife & Parks (FWP) and other partners to conserve almost three square miles (approximately 1,880 acres) of important wetland and forest habitat in northwestern Montana, approximately 20 miles south of Troy on the watershed divide between the Bull River headwaters in Sanders County and Bull Lake in the Lake Creek drainage of Lincoln County. Through this project, FWP proposes to acquire 1,321 acres in fee ownership and receive a conservation easement on an additional 559 acres. Project participants include the Avista Corporation (Avista), The Conservation Fund, Plum Creek Timber Company (Plum Creek), and the U.S. Fish and Wildlife Service (USFWS).

The Proposed Action reflects four factors that uniquely come together in the Bull River/Lake Creek Conservation Project: the exceptional quality of this landscape for many at-risk species of native fish and wildlife; the immediate threat of sale of much of this land for subdivision and residential development; the Avista Corporation's focus on this project area for habitat protection, mitigation, and enhancement programs related to its Clark Fork hydropower relicensing; and the opportunity for FWP to obtain federal acquisition funds because of the importance of this land to the recovery of species listed under the Endangered Species Act.

PURPOSE, NEED, AND AUTHORITY

FWP has proposed the Bull River/Lake Creek Conservation Project for the following purposes:

- to preserve the integrity of aquatic and riparian habitat for native bull trout and cutthroat trout, including an exceptionally important wetland/stream complex;
- to maintain a wild-country corridor that allows grizzly bears, lynx, and other wide-ranging wildlife to travel between the East and West Cabinet Mountains;
- to prevent residential subdivision of important winter range for elk, moose, and deer; and
- to provide public access to these lands for compatible recreational use.

The Bull River/Lake Creek Conservation Project addresses FWP's statutory responsibility to conserve native fish and wildlife species, and in particular to promote the population recovery of threatened and endangered species and species of concern. The stream and wetland habitats to be conserved by the project provide important habitat for the bull trout (listed as threatened under the federal Endangered Species Act), westslope cutthroat trout (a Montana species of concern), and bald eagle (federally listed as threatened). The project lands also support occasional use by grizzly bear, Canada lynx, and gray wolf, all of which are federally listed as threatened.

Conservation of the project lands will secure a protected travel corridor linking the wildlands of the East and West Cabinet Mountains for these three wide-ranging mammals, as well as for fisher, moose, elk, deer, and other species. The project will also conserve winter range for more than 100 elk and ensure public recreational access to this land.

Without the protection to be afforded under the Bull River/Lake Creek Conservation Project, the private lands in the Bull River/Lake Creek project area are highly susceptible to subdivision and residential development. Over the past ten years, Sanders County has experienced 18% population growth and a rapidly increasing demand for developable rural parcels, particularly those with scenic values and access to national forest lands. Plum Creek has identified its land in the project area as "Higher and Better Use" property that would return more value to the company from sale for residential/recreational development than from long-term management for timber production. Subdivision and residential development in these sensitive areas would jeopardize the integrity of the land and water resources, with the potential to impair water quality and water quantity, and to fragment the landscapes critical to rare and wide-ranging wildlife species. The river bottoms, stream corridors, and wetlands of the project area provide key habitat features not available on upland sites. These areas tend to be the most accessible from paved highways and are the most likely to be developed to the detriment of wildlife and the exclusion of public use.

FWP is authorized by state law to own and manage lands for fish and wildlife habitat. The FWP Commission is the decision-making authority for FWP land acquisition projects, and the Montana Board of Land Commissioners must also approve land transactions exceeding 100 acres or \$100,000 in value. State policies and procedures governing wildlife habitat acquisitions are detailed in Title 12, Chapter 9, Sub-chapter 5 of the Administrative Rules of Montana.

OPPORTUNITY FOR PUBLIC COMMENT

Printed copies of this draft EA have been placed at the libraries in Kalispell, Thompson Falls, Heron, Troy, and Libby; at the FWP Region One office in Kalispell; and at the FWP offices in Thompson Falls and Libby. A copy of the draft EA can be requested by contacting Nancy Ivy, (406) 751-4579 or nivy@state.mt.us.

This draft EA can also be viewed online at the following FWP web address: <http://www.fwp.state.mt.us/publicnotices/default.aspx>. Within the "Notice Category" box, select "Environmental Assessment" and click on "Bull River/Lake Creek Conservation Project."

An open house beginning at 6:00 p.m. followed by a presentation and public hearing at 7:00 p.m. on the proposal will be held **at the Troy High School auditorium on Wednesday, September 29**, and **at the Noxon Fire Hall on Thursday, September 30**. Comments received at these hearings will be entered into the project record.

Send comments in writing or by e-mail to Gael Bissell, Habitat Conservation Biologist, FWP, 490 N. Meridian Road, Kalispell, MT 59901; phone: (406) 751-4580; e-mail: gbissell@state.mt.us. Comments must be received by October 22, 2004. If you have questions contact FWP Wildlife Biologist Bruce Sterling at (406) 827-4389 or e-mail to bsterling@state.mt.us, or contact Gael Bissell, Habitat Conservation Biologist (contact information above).

2. PROPOSED ACTION: THE BULL RIVER/LAKE CREEK CONSERVATION PROJECT

OVERVIEW

The Bull River/Lake Creek Project is a proposal by FWP to purchase 1,281 acres in the Bull River/Lake Creek headwaters area in Lincoln and Sanders Counties, receive an additional contiguous 40 acres by donation, and receive a donated conservation easement on an adjoining 559-acre property (Fig. 1). The cost of the land purchase is \$4.61 million, with these funds to be provided from the federal Habitat Conservation Plan (HCP) grant program, administered by the U.S. Fish and Wildlife Service to secure important habitat for rare, threatened, and endangered species. If FWP does not receive full project funding from the HCP program, FWP would seek additional funding sources and will work to complete as much of the land acquisition as funding allows, subject to approval by project partners Avista, The Conservation Fund, and the U.S. Fish & Wildlife Service (USFWS).

PROPERTY DESCRIPTION

The Bull River/Lake Creek Conservation Project involves the protection of two adjoining land parcels, the former Genesis Mining, Inc., (Genesis) parcel and a Plum Creek parcel, both located along Montana Highway 56 on the divide between the Bull River and Lake Creek in northwest Montana (Fig. 1). The 716-acre Genesis parcel now owned by Avista (located in Sections 15 and 16, T28N, R33W, Sanders County) consists of Bull River valley bottom on the north and west and a steep hillside on the southeast (Fig. 1). This valley bottom hosts substantial hydrologic features, including more than a mile of the Bull River, a majority of three first-order tributary drainages, and a wetland complex associated with the low-gradient section of the Bull River that dominates the west half of the parcel. The approximately 300-acre hillside portion of the Genesis parcel contains a mix of live timber, burned timber, shrubs, and grass. The Genesis parcel contains very little development, hosting two cabins and the county's South Fork Bull River Road that traverses the northern tier of the property in a generally east-west alignment. The parcel is bordered by U.S. Forest Service land to the west, south, and east, and by Plum Creek's private land to the north. The Genesis property surrounds a 5-acre private parcel that will remain in private ownership.

Adjoining the Genesis parcel on the north is the 1,164-acre Plum Creek parcel (located in Sanders and Lincoln Counties and consisting of all of Section 9 and portions of Sections 4, 8, 10, and 15, T28N, R33W) (Fig. 1). This undeveloped property also contains significant habitat values, with a large wetland complex that feeds directly into the Bull River, as well as three-quarters of a mile of Ross Creek, a wetland near the mouth of Ross Creek, and about a half mile of Bull Lake shoreline. The east half of the property is heavily timbered, with dominant vegetation consisting of an approximately 20-year-old stand of mixed species conifers. The property is undeveloped with the exception of an approximately 5-acre gravel pit with one outbuilding, located just west of Highway 56. The gravel pit area is no longer mined, but serves as a storage area for Montana Department of Transportation material stockpiles for winter road sanding. Public roadways on the property include Highway 56, a portion of Sanders County's

South Fork Bull River Road, and a portion of Lincoln County's Ross Creek Road. A bermed, unimproved dirt road crosses from west to east along the northern portion of the parcel, connecting with a level but poorly maintained north-south road that generally follows the eastern parcel boundary and connects to the South Fork Bull River Road near the southwest corner of the parcel. The Plum Creek parcel is bordered by U.S. Forest Service land on the west side, Genesis property to the south, private land to the east, and Bull Lake and other Plum Creek land to the north.

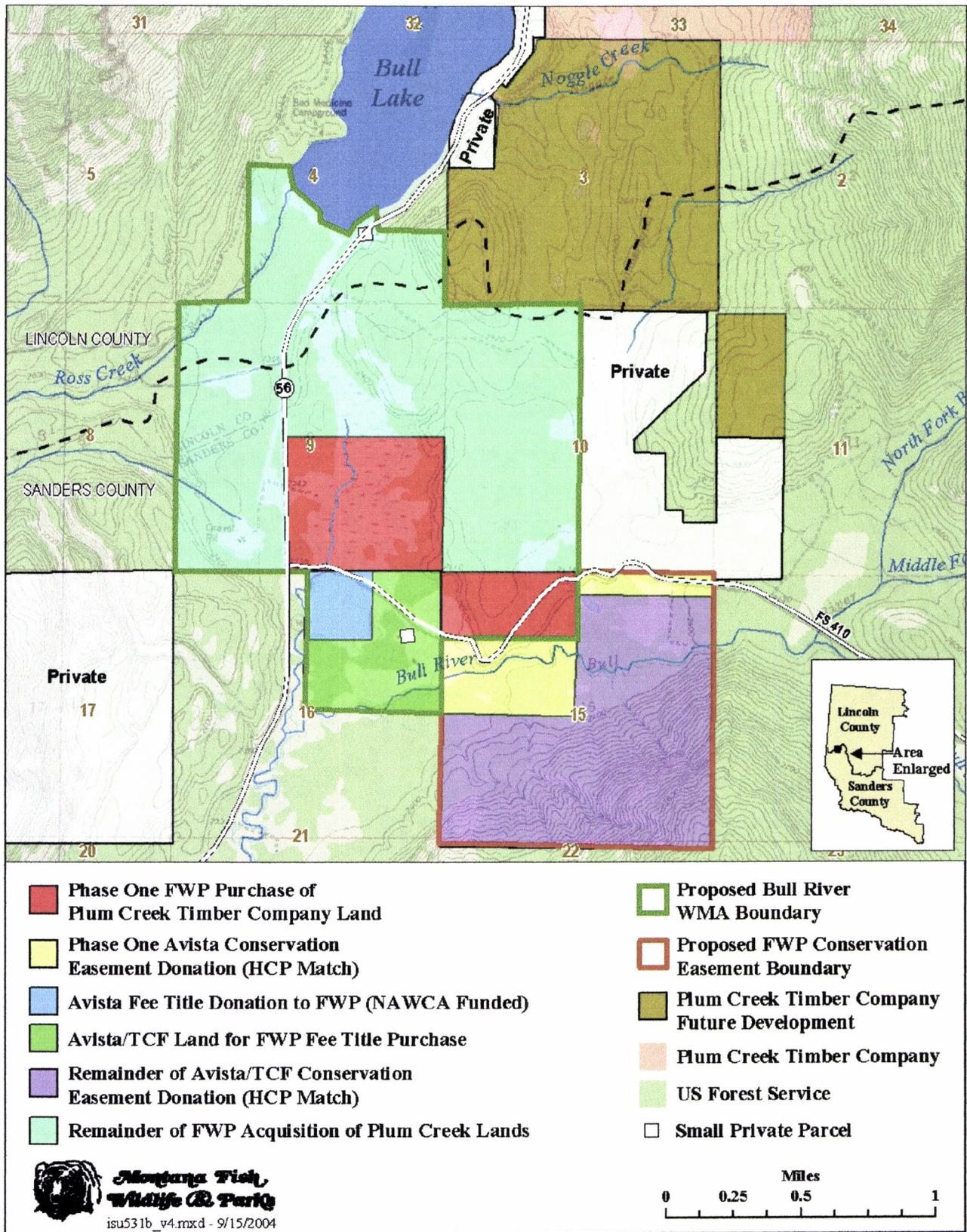


Fig. 1. Proposed Phases of Bull River Wildlife Management and Conservation Easement Acquisitions in Northwest Montana, 2004 (T28N, R33W).

FISH AND WILDLIFE RESOURCES

Fisheries

The lands and waters of the project area are of critical importance to the recovery of the bull trout, a federally listed threatened species, and to the maintenance of important habitat for westslope cutthroat trout, a Montana species of concern. Historically one of the most important tributaries for fisheries in the lower Clark Fork River drainage, the Bull River has been identified as critical habitat for the recovery of the bull trout (USFWS 2002). The Bull River is a known migratory corridor and potential spawning and rearing area for bull trout. Between 2001 and 2003, one-to-ten bull trout redds were observed annually in the South Fork of the Bull River just upstream of the project area (1 redd in 2001, 10 in 2002, 5 in 2003). Springs located in the project area are estimated to provide up to 30% to 40% of the water in the Bull River at low flow and likely cool the river in the summer. These cooler stream temperatures are considered vital for the persistence of bull trout and westslope cutthroat trout in the Bull River drainage.

On the north side of the hydrologic divide, the Lake Creek drainage has been identified as core bull trout habitat by the state of Montana and critical bull trout habitat by the USFWS. Bull Lake and its outlet stream, Lake Creek, also contain important populations of westslope cutthroat trout. Bull Lake supports an important, stable, disjunct population of bull trout that use Bull Lake and probably Ross Creek at certain times of the year (M. Hensler, FWP, personal communication). Bull Lake is considered "critical" to bull trout recovery in the Lake Creek drainage (USFWS 2002). Bull trout from Bull Lake primarily spawn in Keeler Creek, which supports about 100 bull trout redds annually. Ross Creek, a significant tributary to Bull Lake, is important for maintaining Bull Lake water quality. Ross Creek also supports a resident population of genetically pure westslope cutthroat trout and may be used seasonally by bull trout.

Overall, the proposed land acquisition and subsequent conservation management will safeguard streamside buffers; secure headwater areas; preserve water quantity, quality, and temperature regimes; and protect a migratory corridor and potential spawning and rearing habitat critical to bull trout recovery in the lower Clark Fork River drainage.

Wildlife

Listed by the USFWS as threatened, with the local northwest Montana population considered warranted for endangered status, grizzly bears likely utilize the project area for spring and fall foraging habitat. The project area is significant to grizzly bear recovery as one of two primary travel corridors between the East and West Cabinet Mountains. This area is identified as a grizzly bear linkage zone, which is defined as an area connecting a large block of generally undeveloped habitat where grizzlies can find food, shelter, and security. Linkage zones maintain connectivity for gene flow between small isolated populations and thereby decrease the probability of extinction (Servheen et al. 2001). The linkage zone in the project area is considered important to maintaining grizzly bear movement between the Cabinet-Yaak ecosystem and the endangered grizzly bear population in the Selkirk Mountains of northern Idaho. The opportunity for population connection/exchange is particularly vital in this region due to the low numbers of remaining bears left in both the Selkirk and Cabinet-Yaak ecosystems. A total of about 15 grizzly bears are estimated to inhabit the East and West Cabinet Mountains (W. Kasworm, USFWS, personal communication).

In recent years radio-collared grizzlies have been located in the North, Middle, and South Forks of the Bull River to the east of the project area. Grizzlies are also known to inhabit Ross Creek, Spar Lake, and Dry Creek near the project area to the west, and one radio-collared grizzly bear was documented crossing the Bull River valley. The project area falls within the USFWS Cabinet-Yaak Grizzly Bear Recovery Zone, and all surrounding public lands (Kootenai National Forest) have the highest possible ranking (MS-1) for areas that contain habitat components needed for survival and recovery of grizzly bears. Human-caused mortality is the single largest threat to recovery of grizzly bears in this small recovery zone. This is the main reason federal status of grizzlies was changed from "threatened" to "warranted for endangered" for this population. The USFWS has determined that residential development of this property could greatly undermine recovery of the grizzly bear because of the potential adverse effects due to human activities that can displace bears from important foraging habitats and in turn result in reduced reproduction rates. Further, bears that habituate to human developments suffer much higher mortality rates (Mace and Waller 1998). Overall the proposed land acquisition addresses the goals of both the USFWS recovery plan and the Kootenai National Forest Plan to protect grizzly bear habitat and corridors.

Bald eagles utilize the project area for foraging, spring and fall migration, and wintering. Although great strides have been made in the recovery of this species, bald eagles remain listed as threatened under the Endangered Species Act in the Upper Columbia Basin Zone (the bald eagle recovery area that encompasses the project area). Habitat loss and degradation continue to be long-term threats to this species. The protection and acquisition of key wetland and riparian habitats through the Bull River/Lake Creek Project will aid in the continued recovery of the bald eagle by reducing potential impacts of land development.

The gray wolf is listed as threatened in the project area; conserving open space habitats and linkage areas are important for species recovery. Recent gray wolf sightings have been in the Lower Clark Fork area and in the East Fork of the Bull River (T. Meier, USFWS, personal communication). In 2002 a wolf was killed by a vehicle on Highway 56 in the vicinity of the Dors Skeels campground about four miles from the project area. The large numbers of wintering deer, elk, and resident moose that use this property and the property's location on a watershed divide between two major mountain ranges make this project area highly suitable for use by wolves and other predators. It serves as a significant travel route for wildlife moving between the East and West Cabinet Mountains. It is also part of a key link between Montana and Idaho.

The Canada lynx, also federally listed as threatened, is a wide-ranging species that depends on forest habitats in northwest Montana. Lynx occur in both the East and West Cabinet Mountains (J. Brown, FWP, personal communication). Brainerd (1985) tracked a radio-collared lynx from the Fishtrap Creek drainage in the Thompson River north through the Cabinet Mountains into the upper Yaak. Based on more recent other studies in northwest Montana and Canada, lynx make seasonal forays to lower elevation lands and would be likely to use this forested low-elevation watershed divide as a travel corridor between the East and West Cabinet Mountains.

The upper Bull River and nearby Ross Creek were the key locations used by FWP in the 1990s for reintroduction of fisher, a native member of the weasel family that had apparently been extirpated from the area. The project lands contain high-quality forested wetland habitats

preferred by fisher. In 2002, a family of fishers was captured along Bull Lake, a few miles north of the project area. More recent radio telemetry research shows fisher used the proposed project lands (R. Vinke, University of Montana graduate student, personal communication).

The wolverine is an FWP species of concern and is considered by the Forest Service to be a sensitive species. Wolverines are known to occur in both the East and West Cabinet Mountains. A recent observation was reported at Snake Creek Pass, just a few miles southeast of the project area at the head of the South Fork Bull River. Based on observation data and results of other studies of this wide-ranging species, wolverine are considered likely to visit the project area during winter looking for carrion associated with wintering elk and deer. Wolverines are also likely to select the watershed divide as a travel corridor between major mountain ranges.

The proposed project area includes important year-round range for white-tailed deer, mule deer, elk, and moose, and has particular importance as ungulate winter range. FWP has counted up to 135 elk wintering on the project area. The approximately 400 wetland acres provide high-quality habitat for beaver, mink, muskrat, and river otter; waterfowl, raptors, and neo-tropical songbirds; and several species of native Montana reptiles and amphibians. Mountain lions and black bear also use the project area.

OTHER RESOURCES

Minerals

R. McCulloch, of the Montana Bureau of Mines and Geology, (McCulloch 2002) completed a review of references on the potential for commercial mineralization of the Genesis parcel. This review concluded that the parcel has "minimal mineral potential and no surface minable development potential." McCulloch noted, based on fieldwork conducted in the 1980s, that although mineralization occurs under the Cabinet Mountains, the mineralized layer "was plunging from the middle to the lower Revette Formation, along the Rock Lake fault under the wilderness. By the time that unit crosses under the river, it will be deep, with an unknown potential for mineralization." Based on this analysis, FWP assumes there is no mineral development potential on both the Genesis and adjoining Plum Creek lands. Avista owns the mineral rights for the Genesis parcel and will permanently prohibit mineral extraction on this parcel through the provisions of the conservation easement. The mineral rights for the Plum Creek parcel are severed from the surface ownership, and are held by an unknown third party. FWP will conduct a mineral right search to determine ownership.

Timber

Timber resources on the property are not presently commercial grade. Most of the upland portions of the Plum Creek parcel were subjected to an even-aged harvest within the last 25 years and are regrowing, with dense stands of young trees. The Genesis parcel is predominately untimbered wetlands or steep hillside, much of which has been recently burned.

REAL ESTATE TRANSACTIONS

The initial real estate transaction for the purpose of land conservation in the Bull River/Lake Creek project area was completed in April 2003 when Avista and The Conservation Fund

combined resources to purchase a 716-acre property (the Genesis parcel) from mining company Genesis, Inc. Avista was acting pursuant to its Clark Fork Settlement Agreement for the relicensing of Cabinet Gorge and Noxon Rapids Dams, which calls for Avista to implement two fish and wildlife protection, mitigation, and enhancement programs. These specifically target the protection of stream, riparian, and wetland habitat – the Montana Tributary Habitat Acquisition and Recreational Fishery Enhancement Program (License Article 405, Clark Fork Settlement Agreement Appendix B) in cooperation with FWP, and the Wildlife Habitat Acquisition, Enhancement, and Management Program (License Article 418, Clark Fork Settlement Agreement Appendix K). The Conservation Fund, a national nonprofit land conservation organization with a state office in Missoula and a regional office in Sun Valley, Idaho, assisted Avista by making available short-term (“bridge”) funding needed for this time-critical land purchase. A \$50,000 grant awarded to Avista/The Conservation Fund by the USFWS under the North American Wetland Conservation Act provided partial funding for the purchase of 40 acres of the Genesis parcel.

In 2004, The Conservation Fund entered into a purchase agreement with Plum Creek to buy an additional 1,164 acres in the project area. This land (Plum Creek parcel) lies just north of the Genesis parcel and shares about a mile border with it. The Conservation Fund negotiated the purchase agreement for the Plum Creek parcel to prevent it from being sold for private development and to secure the opportunity for acquisition by FWP. The Conservation Fund’s agreement with Plum Creek was timely, as Plum Creek had identified the parcel as “Higher and Better Use” land that would return more value to the company from sale for residential/recreational development than from long-term management for timber production. Just to the northeast of the 1,164-acre parcel, Plum Creek has indicated its intention to sell more than 600 acres on the private market; residential development appears to be the most likely outcome on these neighboring lands.

The Conservation Fund and Avista have worked cooperatively with FWP to evaluate potential land allocations and to obtain funding to ensure a conservation future for this important habitat in the Bull River/Lake Creek Project area. As presented in this EA, FWP is proposing to purchase the 1,164-acre Plum Creek parcel and 117 acres of the Genesis parcel. The Conservation Fund will be the seller of these properties. Avista is proposing to donate 40 acres of the Genesis parcel to FWP. These 40 acres represent the land acquired with partial funding from the federal NAWCA grant. In addition, Avista is proposing to donate a conservation easement to FWP on the remaining 559 acres of the Genesis parcel. Although Avista will retain ownership and management of this property, the conservation easement will ensure that habitat conditions on the entire parcel are maintained or enhanced, that most commercial uses are prohibited, and that public access is provided, so long as it is compatible with the conservation of fish and wildlife resources.

In the event that the Bull River/Lake Creek Project does not proceed, the fate of the Genesis parcel is uncertain. Because the parcel contains a great deal of land that is not directly associated with the Clark Fork settlement goals of protecting stream, riparian, and wetland habitat, the Clark Fork Settlement Agreement Management Committee could authorize Avista to resell some of the uplands to bring in funds that could be applied to other wetland conservation projects.

COSTS AND FUNDING SOURCES

FWP will purchase 1,281 acres (consisting of the 1,164-acre Plum Creek parcel and 117 acres of the Genesis parcel) from The Conservation Fund. Funding for this land purchase will come from the HCP land acquisition grant program, administered by the USFWS. The program provides funds to states to acquire land associated with approved HCPs for the recovery of rare, threatened, and endangered species. Eligibility of the Bull River/ Lake Creek project area for the HCP grants derive from the Native Fish HCP developed by Plum Creek and approved by USFWS for fishery conservation on Plum Creek's timberlands in the northwestern U.S. The Bull River/Lake Creek Conservation Project received additional consideration in the granting process because these lands provide important habitat for an assemblage of other federally listed wildlife species, including grizzly bear, lynx, wolves, and bald eagles. Avista and The Conservation Fund provided significant assistance to FWP in developing the HCP grant proposals.

An independent federal standard appraisal is currently underway to determine the market value of the land that FWP will purchase in the Bull River/Lake Creek project area. This appraisal process, which includes a technical review of the appraisal by another qualified independent appraiser, is expected to be completed by the end of October 2004.

The estimated land value on which FWP, Avista, and The Conservation Fund are basing their project planning is \$3,600 per acre, yielding a purchase price of \$4.61 million for the 1,281 acres. This value estimate is based on an evaluation of recent property sales in the area and is used in Table 1.

In federal fiscal year 2003 the USFWS awarded FWP a \$1 million HCP land acquisition grant for the Bull River/Lake Creek Project. FWP applied for an additional \$3.61 million under the HCP program in FY 2004 and expects to receive notification about that grant request in the fall of 2004. If FWP is awarded the HCP funds requested for FY 2004, it will have a total of \$4.61 million for the land purchase, a sum that is anticipated to be sufficient to complete the proposed 1,281-acre fee purchase.

The HCP grants require that state or private sources provide a 25% funding match in the project area. For the Bull River/Lake Creek Project, this matching requirement will be met by Avista's donation of a conservation easement to FWP on a 559-acre portion of the Genesis parcel. The highly restrictive nature of the conservation easement (see Appendix A) will generally prevent Avista from subdividing, developing, or making commercial use of this property. The easement will also provide for public recreational access. Through these provisions Avista is voluntarily giving up substantial property rights on the 559 acres; as a result the easement will significantly reduce the market value of the property. It is estimated that Avista's conservation easement donation will reduce the value of the 559 acres from \$3,600/acre in its pre-easement status to a residual value of only \$900/acre in its easement-restricted condition. The value of the conservation easement, defined as the difference between these "before" and "after" values, is thus \$2,700/acre, and this figure is used in Table 1. As with the fee purchase, an independent federal standard appraisal is underway to formally establish the value of the conservation easement. This appraisal is also expected to be completed, reviewed, and approved by the end of October 2004.

FWP and its project partners, Avista and The Conservation Fund, will also contribute closing costs/in-kind expenses totaling \$29,100 as part of the required state and private match for the HCP grant.

Avista and The Conservation Fund acquired a 40-acre portion of the Genesis parcel using a grant from the North American Wetland Conservation Act. This parcel will be donated in fee to FWP. The value of this NAWCA parcel cannot be used as matching funds because the parcel was acquired in part with federal funds.

Table 1. Funding Costs, Match, and Acres Protected for the Bull River/Lake Creek Project

	HCP Funding	HCP Acquisition	Match Amount	Source and Value of Match	Total Project
HCP grant (received in FY2003)	\$1,000,000	±278 ¹ acres @ \$3,600/acre from PCT	\$334,800	±124 ¹ acres in donated conservation easements @ \$2,700/acre	\$1,334,800
HCP grant (anticipated for FY2004)	\$3,610,800	±1,003 ¹ acres @ \$3,600/acre (886 acres PCT; 117 acres Genesis property)	\$1,203,600	±435 ¹ acres in donated conservation easements @ \$2,700/acre (\$1,174,500) and closing costs/in-kind expenses totaling \$29,100	\$4,814,400
TOTAL FUNDS AND ACRES PROTECTED	\$4,610,800 (75% of project total)	1,281 acres protected through fee title purchase by FWP @ \$3,600/acre (1,164 acres PC parcel, 117 acres Genesis parcel)	\$1,538,400 (25% of project total)	559 acres protected through conservation easement donated by Avista to FWP @ \$2,700/acre, plus closing costs/in-kind expenses of \$29,100	\$6,149,200 1,880 acres (includes 40-acre Avista land donation to FWP)

If FWP does not receive full FY 2004 funding from the HCP grant program, FWP proposes to complete as much of the project as funds permit. FWP will work in cooperation with Plum Creek, Avista, The Conservation Fund, and the USFWS to develop the parameters of such an acquisition (priority order of lands to be acquired in fee and conservation easement, consistent with the landowners' desires and the requirement for match for federal funds). FWP would then seek additional funding, either from the HCP Land Acquisition program or other sources, to complete the acquisition as described in this EA.

LAND MANAGEMENT

Lands acquired in fee by FWP will become the Bull River Wildlife Management Area for the purposes of conserving important habitats while also providing land open to the public for hunting, fishing, wildlife viewing, hiking, horseback riding, and other nonmotorized day uses compatible with habitat conservation and wildlife security. FWP has included the draft Bull River Management Plan in Appendix B as described in this plan. FWP will manage these lands to protect the Bull River, Ross Creek, Bull Lake, and associated wetlands and riparian areas, with an emphasis on restoring and protecting habitat for bull trout and westslope cutthroat trout.

¹ Acreages shown by phase are rounded to the nearest whole number using the current anticipated appraised values for fee title (\$3,600/acre) and conservation easements (\$2,700/acre). The total number of acres to be protected in this project is 1,840.

Lands will also be managed to protect and maintain quality habitat for terrestrial species, focusing primarily on the wetland and riparian habitats and winter range provided by the properties. The important wildlife corridor linking the East and West Cabinet Mountains will be maintained as undeveloped habitat for grizzly bears and other wide-ranging species.

Walk-in access will be provided from a small parking area(s) to be developed along Highway 56 and from pullouts on the county roads. Wildlife management areas are typically closed to public use from December 1 through May 14 to provide for winter wildlife security.

An integrated pest management program will be implemented to reduce the spread of noxious weeds. Forest management would be conducted only for the purpose of meeting fish and wildlife habitat objectives. FWP, in cooperation with Avista, will monitor the properties annually to ensure fish and wildlife habitat objectives are being met.

FWP also has responsibility to monitor the conservation easement on the Avista property. The Conservation Easement Management Plan is attached to this draft EA as Appendix C.

FISCAL CONSIDERATIONS FOR LOCAL GOVERNMENT

The Bull River/Lake Creek Conservation Project will not result in a significant loss of property tax revenue to the counties. For lands acquired in fee, FWP will make annual payments to Sanders and Lincoln Counties equal to the annual property taxes assessed when that land was in private ownership. For lands subject to a conservation easement held by FWP, the private landowner continues to pay property taxes at the same rate as land was assessed prior to the conservation easement.

The 1,164-acre Plum Creek parcel, which FWP will acquire in fee, consists of approximately 290 acres in Lincoln County and 894 acres in Sanders County. Plum Creek's 2003 property tax payment on this Lincoln County acreage was \$155, and Plum Creek's 2003 property tax payment on this Sanders County acreage was \$810. FWP will make these payments.

The 157-acre portion of the Genesis parcel that FWP will acquire in fee is located in Sanders County. Property tax payments on this land were \$620 in 2003, which included the assessment for the cabin located on this parcel. FWP will make payments at this same tax rate to Sanders County. This rate may decrease by approximately \$300 if FWP decides to remove the cabin.

For the portion of the Genesis parcel that will be subject to the conservation easement, Avista will continue to pay taxes on the land at the current property tax rate; however, if Avista removes its cabin from the conservation easement property, its overall Sanders County taxes would decrease by about \$300 annually, from about \$1,400 to about \$1,100.

3. ALTERNATIVES

THE PROPOSED ACTION

FWP proposes to undertake and complete the Bull River/Lake Creek Conservation Project, comprising the land acquisitions of 1,321 acres in fee and 559 acres in conservation easement, as described in this Draft EA. The project would secure important habitat for at-risk native fish and wide-ranging wildlife, including grizzly bear, lynx, wolf, moose, elk, and other species dependent on the wetlands and uplands of the property. The project would also ensure continuation of public access to the project area for compatible recreational uses.

Partial Acquisition Contingency of the Proposed Action

If FWP does not receive full FY 2004 funding from the HCP grant program, FWP proposes to complete as much of the project as funds permit, and will work in cooperation with Plum Creek, Avista, The Conservation Fund, and the USFWS to develop the parameters of such an acquisition (priority order of lands to be acquired in fee and conservation easement, consistent with the landowners' desires and the requirement for match for federal funds). FWP would then seek additional funding, either from the HCP program or other sources, to complete the acquisition as described in this draft EA.

This Partial Acquisition Contingency is a part of the Proposed Action. The environmental effects of partial acquisition would generally be intermediate between the No-Action Alternative and the Proposed Action.

NO-ACTION ALTERNATIVE

Under the No-Action Alternative, FWP would not pursue the Bull River/Lake Creek Conservation Project and would forego the opportunity to purchase the 1,164-acre Plum Creek parcel and a 117-acre portion of the Genesis parcel. FWP would not accept a donated conservation easement on 559 acres of the Genesis property and would not receive a donation of 40 additional fee acres of the Genesis parcel.

Because the Plum Creek property in the project area has been identified by the company as land that would return more value to the company from near-term sale than from long-term management for timber production, the land would be sold and likely developed by the new owners. This would impact existing and future fish and wildlife habitat values of the property, potentially compromising important habitat for bull trout, westslope cutthroat trout, grizzly bear, and other aquatic and terrestrial species. Private development would also likely preclude public access to the property for recreational uses. The environmental effects of the No-Action Alternative are evaluated in Section 3 of this draft EA.

Under the No-Action Alternative, FWP would decline to use the \$1 million grant awarded in FY 2003 from the HCP program and would withdraw its FY 2004 grant application. The FY 2003 grant could not be retained by FWP to support other land conservation projects in Montana; rather, the money would revert to the USFWS.

ACTIONS CONSIDERED BUT NOT EVALUATED AS POSSIBLE ALTERNATIVES

An alternative method to achieve conservation protection for the Plum Creek property would be for FWP to secure a conservation easement on that property, rather than pursuing a fee title purchase. However, Plum Creek has not expressed an interest in this approach and is determined to sell the land in fee, either for conservation purposes or in the private market if no conservation purchase can be realized. FWP conducts its real estate transactions on a "willing seller" basis; therefore, the alternative of acquiring a conservation easement on the Plum Creek property is not viable and is not further considered in this draft EA.

An additional alternative approach would be for FWP to simply accept the 559-acre conservation easement donation from Avista without purchasing any land in fee. However, Avista's donation of the conservation easement is intended both to conserve the property and to serve as the matching funds required to enable FWP to receive the federal HCP grant. Absent the land purchase component of the Bull River/Lake Creek Conservation Project, Avista has no plans to donate the conservation easement to FWP. For this reason, this alternative is not further considered in the draft EA.

4. ENVIRONMENTAL EFFECTS

This section of the draft EA evaluates the impacts of the Proposed Action and the No-Action Alternative on the physical, biological, and human environment.

PHYSICAL AND BIOLOGICAL ENVIRONMENT

Land Resources

Proposed Action: Under the proposed action, land resources within the project area would be protected and managed for fish and wildlife habitat values. This would maintain or improve existing land resources.

No-Action Alternative: Under the no-action alternative, the 1,164-acre Plum Creek parcel would likely be subdivided and subject to private homesite development. Such development could impact the wetland, riparian, and forest resources through clearing of land, construction of buildings and roads, planting of nonnative vegetation, and disturbance of sensitive areas, including wetlands, riparian zones, and big game winter range. The 716-acre Genesis parcel contains a great deal of land that is not directly associated with the Clark Fork Settlement goals of protecting stream, riparian, and wetland habitat. As such the Clark Fork Settlement Agreement Management Committee could authorize the resale of some of the lands if the conveyance of these lands would provide a great protection, mitigation, and enhancement value.

Air Quality

Proposed Action: In general, under the proposed action, air quality would be maintained or improved by managing vegetative growth for fish and wildlife habitat. Public and private use of

the South Fork Bull River Road (410) that runs west from Highway 56 through the project area would remain open, as would use of the South Fork Bull River county road. Use of these roads could create periodic local dust problems in dry summer periods as happens now. If future land management actions for forest or wetland restoration required burning, FWP or Avista would abide by state air quality regulations.

No-Action Alternative: Under the no-action alternative, the management of the Genesis parcel by Avista is uncertain, as no management plans or long-term decisions regarding the long-term disposition of the property, other than the possibility of the proposed action, have been made by the Clark Fork Settlement Agreement Management Committee. However, under the intentions and Avista's Clark Fork Settlement Agreement, the wetland and riparian area of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. This alternative may allow for sale of the property and limited development that might have some impact on air quality. No action on the Plum Creek parcel would allow for land uses that could have negative impacts to air quality, such as burning from residential wood stoves, timber slash, road dust, or commercial or industrial activities.

Water Resources

Proposed Action: Under the proposed action, water quality would be maintained or improved by protecting wetlands, riparian areas, and existing water resources. Wetlands and healthy riparian areas serve as natural filters protecting water quality. In addition, wetlands can protect water quantity in streams by storing water and releasing it over a longer period of time than would occur with surface run-off. Healthy riparian areas provide stream shading which protects water temperatures. The proposed action would also protect the Bull River and Ross Creek channels, banks, and riparian vegetation, promoting channel stability.

No-Action Alternative: Under the no-action alternative, the management of the Genesis parcel by Avista is uncertain, as no management plans or long-term decisions regarding the long-term disposition of the property, other than the possibility of the proposed action, have been made by the Clark Fork Settlement Agreement Management Committee. However, under the intentions of Avista's Clark Fork Settlement Agreement, the wetland and riparian area of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. Therefore, it is likely that the water resources of the Genesis parcel under this alternative would remain in their current condition. On the Plum Creek parcel the quality and quantity of wetland and water resources may not be maintained. Subdivision and development of the Plum Creek parcel could result in reduced wetlands and riparian vegetation resulting in increased erosion, decreased stream shading, decreased channel stability, and increased sedimentation of aquatic habitat threatening water quality and aquatic resources.

Vegetation

Proposed Action: The proposed action would maintain or improve existing quantity, quality, and diversity of native vegetation, and a program would be in place to reduce the spread of noxious weeds. Forested uplands would be managed primarily for wildlife values as identified in the proposed management plan. A 5-acre gravel pit located on Plum Creek land area would be

revegetated per the permit. A small portion of that site will likely remain a gravel storage area for the Montana Department of Transportation.

No-Action Alternative: Under the no-action alternative, the management of the Genesis parcel by Avista is uncertain, as no management plans or long-term decisions regarding the long-term disposition of the property, other than the possibility of the proposed action, have been made by the Clark Fork Settlement Agreement Management Committee. However, under the intentions and requirements of Avista's Clark Fork Settlement Agreement, the wetland and riparian area of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. Therefore, it is likely the riparian/wetland vegetation may stay in its current condition. Upland vegetation could be managed for other purposes than habitat. Possible upland development could also result in vegetation removal. Grazing, mining, or other upland uses could occur. On the Plum Creek parcel, subdivision and development would likely reduce and change vegetative cover and communities. There could also be an increase in noxious weeds on the Plum Creek parcel in the future due to land use changes. In addition, changes to vegetation could affect stream shading and water temperature, bank strength and channel stability, and the recruitment to the stream channel of large, woody debris that provides important fish habitat. Commercial gravel operations might continue affecting vegetation and possibly groundwater.

Fish and Wildlife

Proposed Action: Under the proposed action, fish and wildlife habitat values would be protected and managed in perpetuity on the properties. This would help ensure the persistence of bull trout, westslope cutthroat trout, lynx, and grizzly bear. It would protect a migratory corridor for bull trout and westslope cutthroat trout as well as potential spawning and rearing habitat. The travel corridor linking the East and West Cabinet Mountains would be maintained, which is especially important for grizzly bears. The proposed action would also maintain critical winter habitat for moose, elk, and deer.

No-Action Alternative: Under the no-action alternative, the management of the Genesis parcel by Avista is uncertain, as no management plans or long-term decisions regarding the long-term disposition of the property, other than the possibility of the proposed action, have been made by the Clark Fork Settlement Agreement Management Committee. However, under the intentions of Avista's Clark Fork Settlement Agreement, the wetland and riparian area of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. However, development could take place on the upland sites. The existing cabins could be maintained as well. Portions of the Avista property could be divided and sold off as long as there were some protections in place for the riparian/wetland values. These types of activities could have a negative impact on terrestrial wildlife.

Subdivision and development of the Plum Creek land would negatively affect habitat, likely reducing suitability and use of the lands by terrestrial wildlife and impairing the quality of stream habitat for fish. The link between the East and West Cabinet Mountains for wildlife could be drastically reduced in quality. Negative effects to water quantity and quality, such as decreased flows, increased water temperatures, and increased sedimentation, would adversely impact native fish populations in the Bull River and Lake Creek drainages. The land development and

associated human disturbance would also impair the value of the project area as winter habitat for moose, elk, and deer.

HUMAN ENVIRONMENT

Noise/Electrical Effects

Proposed Action: The proposed project would not have any effect on noise or cause any electrical disturbance.

No-Action Alternative: No action would mean that noise or electrical levels could increase because of future land development.

Land Use

Proposed Action: Under the proposed action, FWP would manage the land for fish and wildlife habitat in perpetuity. Public access to the properties for recreational use consistent with the habitat values would also be maintained in perpetuity.

No-Action Alternative: The land use for the Genesis parcel is uncertain as no management plans, or long-term decisions regarding the long-term disposition of the property, other than the possibility of the proposed action, have been made by the Clark Fork Settlement Agreement Management Committee. However, under the intentions of Avista's Clark Fork Settlement Agreement, the wetland and riparian areas of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. However, under the no-action alternative, people could continue to use the developed cabin sites. Other upland land uses such as commercial timber or mining activities could occur over time. Under this alternative, there is no guarantee that public access would be continued.

On the Plum Creek parcel, land use would likely change from timber-related to residential development because the parcel is considered as "Higher and Better Use" land (properties that can return more to the company as developable land than as timberland). Public access would likely be lost if the lands are developed into residential tracts.

Risk/Health Hazards

Proposed Action: The proposed action includes the occasional use of chemicals for noxious weed control. Whenever chemicals are used, there is some potential for a small-scale spill. To reduce that potential, herbicides would only be applied by a licensed applicator following label instructions and taking all precautions to prevent accidental discharge. The gravel pit area on the Plum Creek parcel serves as a storage area for Montana Department of Transportation material stockpiles for winter road sanding. The Conservation Fund and Plum Creek are working to extend this agreement with the Montana Department of Transportation so this use may be continued.

No-Action Alternative: No action would mean that current risks or health hazards could change in the future on the Plum Creek parcel, as the property is developed. The risks for the Genesis parcel are uncertain.

Community/Local Economy Impact

Proposed Action: The proposed action could affect the location and distribution of human population growth by restricting development of approximately three square miles of rural private land, a quarter of which is wetland; however, this project is not anticipated to impact the overall rate of population growth in Lincoln or Sanders Counties. There may be minimal impacts to the local economy associated with the loss of subdivision opportunities on this acreage. Any adverse economic impacts of the land acquisition would be partially offset by longer-term increases in retail merchandise, food, lodging, and travel supplies associated with the increased wildlife-viewing, hunting- and fishing-related recreational opportunities that would be offered by these public conservation lands.

FWP will make payments to the counties equivalent to the assessed property taxes for those properties that the agency acquires in fee. Avista will continue to pay its property taxes at the current property tax rate on the portion of the Genesis parcel that will be subject to the conservation easement. If Avista and/or FWP remove the cabins on their respective properties in Sanders County, the property tax payments may be reduced by about \$300 each. There will be no fiscal impact on local government revenues in Lincoln County.

No-Action Alternative: The effects from the no-action alternative for the Genesis parcel are uncertain as the Clark Fork Settlement Agreement Management Committee has made no management plans or long term decisions regarding the long term disposition of the property, other than the possibility of the proposed action. However, under the intentions of Avista's Clark Fork Settlement Agreement, the wetland and riparian areas of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. It is possible that cabin uses might be continued, uplands could be developed to some degree, or other commercial operations might be allowed. These activities might maintain other local economic activities in the project area.

On the Plum Creek parcel, the no-action alternative could mean increased tax revenue from subdivisions and development, perhaps offset by the resulting increase in the cost of public services that would be borne by county taxpayers. There could be short-term positive effects to the economy from real estate sales and associated construction.

Aesthetics/Recreation

Proposed Action: The proposed action would protect the aesthetic qualities and high scenic values of the properties, as undeveloped land set against the backdrop of the rugged Cabinet Mountains. The proposed action would also maintain public access for recreational purposes in perpetuity, including hunting, fishing, wildlife watching, and other recreational uses compatible with the wildlife habitat objectives.

No-Action Alternative: The no-action alternative for the Genesis parcel is uncertain, as the Clark Fork Settlement Agreement Management Committee has made no management plans or decisions regarding the long-term disposition of the property. However, under the intentions of Avista's Clark Fork Settlement Agreement, the wetland and riparian area of the Genesis property would be protected in perpetuity for their fish and wildlife habitat values. Under this alternative, some of the Avista land could be developed or used for other commercial activities that might affect aesthetic values. Public access could also be limited.

For the Plum Creek parcel, aesthetics could change drastically with subdivision and development of the land. In addition, public access for recreational purposes would likely be lost if the lands are developed.

Cultural/Historic Resources

Proposed Action: Based on review by the State Historical Preservation Office, cultural resource inventories have not identified important cultural or historic sites on project lands. There are two cabins located on the Genesis parcel. Avista plans to remove the cabin from its conservation easement property within three years. FWP may maintain the cabin on its fee-title portion of the Genesis parcel for administrative use in managing this new wildlife management area. There are no known significant cultural or historic resources on the project area that would be impacted by the proposed action.

No-Action Alternative: Under the no-action alternative, Avista's Clark Fork Management Committee may decide either to maintain or remove the two cabins on the Genesis parcel. Other activities such as development or gravel extractions could occur and may affect unknown cultural resources.

SECONDARY AND CUMULATIVE EFFECTS

Potential negative secondary or cumulative effects of the proposed project may be the loss of approximately 260 acres of potentially developable private land (less approximately 30 wetland acres) in Lincoln County. This impact is not expected to be significant in Lincoln County as the acreage is small relative to the existing tax base (overall county budget of \$6.5 million in 1998). Additionally, there appears to be a strong supply of rural recreational tracts in the county. Plum Creek is in the process of selling much of its remaining valley lands (4,600 acres) between Bull Lake and Troy for private recreational development over the next three years. Some of this land is immediately north of the proposed project area. It should be noted that often the costs to local governments to provide services to rural subdivisions exceed the tax payments made by residents of these developments.

In Sanders County, the proposed WMA and conservation easement will limit future development on approximately 1,360 acres of potentially developable land (excluding wetland acreages). Additionally, the two existing cabins in the project area may be removed. These activities may reduce future tax revenues to the county in comparison to the no-action alternative. Combined with several other recently completed conservation projects that have occurred through Avista, private land trusts, and federal programs such as the Wetland Reserve Program, these projects have limited potential development on an additional approximately 800 acres, most of which are

wetland. However, the county is fully aware of and is supportive of these ongoing conservation efforts because the cumulative benefits for fish and wildlife habitat and recreation and related businesses in this remote portion of their county outweigh the benefits of increased development in this drainage (Dan Miles, Sanders County Planner, personal communication, 2004).

The secondary and cumulative benefits of the proposed action on aquatic and terrestrial fish and wildlife in both the Bull River and Bull Lake areas would be high. The proposed action in the Bull River drainage will add significant protections to key wetlands important for the recovery and maintenance of native fish including bull trout and westslope cutthroat trout. This, when combined with the other conservation and enhancement activities happening in the basin will greatly improve aquatic and riparian/wetland habitats. The proposed project provides cumulative benefits for Bull Lake water quality and habitat along the north shore of Bull Lake and will benefit bull trout and other aquatic and riparian/wetland species.

5. NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT

FWP determines that the Bull River/Lake Creek Conservation Project will not have significant environmental impacts, and therefore an environmental impact statement is not required. The draft EA is the appropriate level of analysis for the proposed action because: 1) rare, threatened, and endangered plant or animal species should only be affected positively by the proposed action; 2) there are no long-term or irretrievable impacts to the physical environment; and 3) there are only minor impacts to the human environment.

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- U.S. Fish and Wildlife Service (USFWS). 2002. Proposed designation of critical habitat for the Klamath and Columbia River distinct population segments of bull trout, Portland, Oregon.

Appendix A

Conceptual Terms of Conservation Easement for 559 Acres of the Genesis Parcel

- *No subdivision of the Property without the approval of FWP, and such subdivision may only be authorized if the land is transferring to a public land management agency or to a conservation organization that will manage the property for fish and wildlife values.*
- *The existing cabin may continue to be used for a period of up to three years and would then be removed. No new construction of permanent structures such as cabins, homes, recreational facilities, or commercial or industrial buildings would be permitted.*
- *No commercial outfitting or other long-term commercial use of the property. Limited short-term commercial use (such as fire-fighting camps) is allowed with prior approval.*
- *No diversion of surface waters on the property, and no sale or transfer of water rights.*
- *No minerals, oil, or gas may be extracted from the property. Sand and gravel may be extracted only for management or restoration activities on the property and providing that there is an approved plan for site restoration and weed management.*
- *No dumping on the property.*
- *No livestock grazing or agricultural activities, except as part of an approved management plan to restore native vegetation.*
- *No off-road motor vehicle use, except as part of approved management activities.*
- *Timber management is permitted only for public safety or for meeting fish and wildlife habitat objectives under an approved plan.*
- *Public access must be provided for hunting, hiking, and other nonmotorized recreation. Public uses of the property may be seasonally restricted if necessary to provide for wildlife security or to prevent resource damage.*
- *Habitat enhancement or restoration activities that further the goals of maintaining or improving habitat characteristics would be allowed as approved by FWP.*

Appendix B

BULL RIVER WILDLIFE MANAGEMENT AREA Draft Management Plan

INTRODUCTION

The Bull River Management Plan describes how the Bull River Wildlife Management Area (WMA) would be managed by FWP upon approval of its acquisition. This plan provides an overview of the proposed conservation project and funding sources; a summary of significant fish, wildlife, and habitat values associated with this property; and a description of the purpose, objectives, and management strategies that will be used to meet the overall conservation purposes. It also describes funding sources for the management of the Bull River WMA.

PROPERTY LOCATION AND FEATURES

FWP proposes to acquire up to 1,321 acres of land located in the upper Bull River/Lake Creek drainages of northwest Montana located in T28N, R33W, Section 9, and portions of Sections 4, 10, 15, and 16 in Sanders and Lincoln Counties as described in the draft EA (September 2004) (Fig. 1). This contiguous block, which will become the Bull River Wildlife Management Area, is located south and east of Bull Lake in northwest Montana on the watershed divide between the Bull River and Lake Creek, about halfway between Noxon and Troy.

Improvements: One cabin is located on the Genesis parcel to be acquired by FWP from Avista. FWP may consider keeping this building for administrative purposes of the WMA. There are no significant cultural values associated with this structure. FWP may also remove the cabin.

Three public roads access the proposed WMA. State highway 56 runs through the middle of the project area north and south. South Fork Bull

River Road (410), which is used for public access to the upper Bull River, runs east through the south end of the project area. In addition, the Ross Creek county road runs west through the west half of the project. The property's internal roads have already been closed to motorized transportation by the existing landowners. These roads are likely to remain closed to vehicular use.

FUNDING SOURCES

The primary funding source for the state's acquisition of the Bull River WMA is the U.S. Fish and Wildlife Service's Section 6 Habitat Conservation Plan Land Acquisition Program (HCP). This program provides grants to the state's fish and wildlife management agencies for the conservation of important habitats for species identified in approved HCPs. Plum Creek has an approved Native Fish HCP for which this grant was secured. The purpose of the HCP grant is to provide better protection of important habitats for species covered by the HCP that go beyond the requirements of the HCP.

FWP has already been awarded a \$1 million grant from the HCP program in 2003 to use towards purchase of approximately 278 acres of the Plum Creek property. FWP has applied for the remaining funding (just over \$3.6 million) from the HCP program in 2004 to complete the project as described in the draft EA.

RESOURCE VALUES

Topography: The proposed project includes approximately 280 acres of wetlands associated with the Bull River and Bull Lake; three-quarters of a mile of Ross Creek, an important tributary to

Bull Lake; and about a half mile of the south shore of Bull Lake. These wetlands consist of open sedge meadows, spruce and cottonwood forests, and mesic shrub fields. The remainder of the proposed WMA land consists of relatively flat upland bench dominated by regenerating (20-30-year-old) lodgepole pine.

Aquatic: Historically, the Bull River was an important tributary for bull trout and westslope cutthroat trout in the lower Clark Fork River. The Bull River was identified as core bull trout habitat by the Montana Bull Trout Scientific Group and critical habitat for bull trout by the U.S. Fish and Wildlife Service. A subgroup of the Westslope Cutthroat Trout Steering Committee has identified the Bull River as a priority watershed for protection and restoration of westslope cutthroat trout in the lower Clark Fork River drainage. FWP identified the Bull River watershed as a target watershed for the restoration of native fish. Protection of the large wetland complex that is a headwater for the Bull River will help restore and protect native salmonid populations (i.e., bull trout, westslope cutthroat trout, and mountain whitefish) and other native fish, and aquatic organisms in the drainage. It will do this by protecting the water quality, quantity, and temperature, which are necessary to maintain native salmonid habitat in the Bull River. The wetland complex on the property contains springs that are likely important for cooling the Bull River in summer and providing flow during low-flow periods (together with the wetlands on the Avista/The Conservation Fund property, likely up to 30-40%).

This proposed acquisition would also protect Ross Creek and a portion of the Bull Lake shoreline and associated wetland and riparian areas in the Lake Creek drainage. Lake Creek is a tributary to the Kootenai River. Ross Creek provides seasonal habitat for bull trout as well as habitat for westslope cutthroat trout. Bull Lake is home to a stable but disjunct population of bull trout as well as native pygmy whitefish. The south shore is also a known kokanee spawning area. Although kokanee are not native to the Lake Creek drainage, bull trout likely feed

on them. The acquisition should protect Ross Creek from human-caused changes to channel shape, maintaining a healthy dimension, pattern, and profile to promote channel stability and a healthy, functioning aquatic ecosystem. The acquisition should also protect the riparian areas bordering Ross Creek and Bull Lake and the associated wetland to ensure that they are functioning in a healthy manner and that native species management is promoted. This would include maintaining the riparian area to provide bank strength, stream shading, act as a buffer to protect the river from upland activities, and provide habitat to aquatic and wildlife species.

Riparian/Wetlands: The extensive wetlands and riparian complexes comprise about 21% of the project area and are critical to many wildlife species. They support nesting and migratory waterfowl; shorebirds; bald eagles, neo-tropical migrants, and cavity-nesting birds; semi-aquatic furbearers such as mink, beaver, or river otter; amphibians and reptiles; and many other small mammals and other wildlife species. The property also contains important spring and fall habitat for grizzly and black bears, seasonal habitat for furbearers such as fisher or wolverine, year-round habitat for moose, and winter range for elk and white-tailed deer. The wetland complexes, intermixed with various types of upland habitats located on a watershed divide between two major mountain ranges, make these lands particularly attractive to a wide variety of wildlife species.

Terrestrial Habitats: The principal upland terrestrial habitat on this property consists of regenerating lodgepole and Douglas fir forests on relatively flat benches. These lands provide important hiding cover for wildlife attracted to the riparian/wetland areas and low elevation foraging habitat during various seasons. Approximately 100-150 elk use these bench lands on this property as well as the remaining Plum Creek lands to the north in the winter. Moose and white-tailed deer may use the upland benches and riparian areas year-round. The upland benches provide the critical movement corridor to and from the riparian areas from both the high elevations on either side of the project

area. Maintaining the integrity of the uplands and wetlands will help sustain use by wildlife over time. The size and juxtaposition of the upland and riparian/wetland habitats located at the base of Bull Lake and between two major mountain ranges makes this one of the most important connections or travel corridors for wildlife moving between the East and West Cabinet mountain ranges.

BULL RIVER WMA MANAGEMENT PLAN

Management Goal

The goals of this property acquisition are to protect the integrity of the existing wetlands and riparian habitats, maintain healthy forested uplands that will enhance and maintain natural hydrology and provide wildlife habitat for a diversity of wildlife species, and allow compatible human recreation in the area. The management of other natural resources such as timber or gravel would occur as needed to restore, maintain, or enhance these natural habitat values and to meet property management needs. The management plan will be consistent with the purposes of the native fish HCP grant received by FWP for this acquisition: to contribute to the conservation of native salmonids.

Management Strategies

Objective 1: Protect, maintain, and enhance aquatic, wetland, riparian, and associated terrestrial habitats with an emphasis on restoring and protecting aquatic organisms in the Bull River, Ross Creek, and Bull Lake areas.

a. Obtain appropriate baseline information for the property.

FWP would collect information needed for management including such items as topographic and soil maps, aerial photos, habitat maps, and locations of human activities sites such as roads, parking areas, gravel pits, weeds, fences, types of human recreation, etc. FWP would also gather baseline information on the distribution and abundance of aquatic and riparian/wetland species. Fisheries work would include

periodic fall surveys for bull trout redds, fish shocking for species distribution and abundance in tributaries and along the main stem, and gill netting in Bull Lake. Information on stream flow and water conditions would also be collected. Information would be used to address management issues and to update management plans or develop appropriate habitat enhancement/restoration projects.

b. Implement noxious weed management program.

FWP would identify and map noxious weed infestations on the property within one year following closing of the land acquisition. Following identification of weed species and problem areas, FWP would develop a weed management plan and begin to implement control as soon as practical. The weed management plan will involve techniques with minimal side effects to fish and wildlife habitat and include such measures as chemical, hand pulling, and biological control.

c. Identify any appropriate changes in management or any other potential restoration or habitat improvement projects that might be needed.

Proposed restoration or enhancement activities would go through a public review process. The management plan for the Bull River WMA would also be revised from time to time based on periodic reviews.

Objective 2: Protect and maintain the important wildlife corridor linking the East and West Cabinet Mountains.

a. Surveys: FWP and its partners recognize the value of this project for migrating wildlife between the East and West Cabinet Mountains as well as for wildlife moving between the uplands and lowlands on a seasonal basis. FWP would gather information on seasonal use of the project lands by wildlife, particularly large and mid-

sized carnivores (such as fisher, mountain lions, grizzly bears, and black bears) and ungulates (such as elk, moose, and deer) through annual track surveys, spring aerial flights, and other observations to help identify key routes or use areas.

b. Forest Management: Forest management would be conducted solely for the purposes of meeting fish and wildlife habitat objectives. A general timber/forest inventory would be complete within one year following the closing of all the land acquisitions in order to establish baseline forest conditions associated with current fish and wildlife species abundance, distribution, and diversity present on the property. The forest plan would focus on retaining or improving existing conditions for riparian/wetlands and maintaining a high degree of natural habitat diversity and structure in upland forests over time. The plan might include activities to restore regenerating upland forests as needed, limiting opportunities for human-caused fire, reducing fuels on dry sites through use of periodic harvest and/or fire, while also promoting natural, mature forest conditions. Riparian habitats will remain largely undisturbed except for activities such as weed control or fencing that may be needed.

Objective 3: Provide compatible, dispersed public recreational use of the property while also ensuring conservation of important habitat values.

a. Boundary: Once acquired, the property perimeter would be fenced and/or posted as the Bull River WMA. Existing usable fences that restrict livestock would remain along the perimeter where grazing of livestock is occurring outside of the WMA. However, if grazing is not occurring, then a more wildlife-friendly 2-strand fence could replace barbed wire or 4-strand fences.

b. Parking: FWP would identify primary access points to the WMA from Highway 56 and South Fork Bull River Road (410).

Appropriate parking sites would be located and marked. Specific access points would not be located in sensitive wetland or riparian areas.

c. Public Information: An information board would be constructed near the South Fork Bull River Road (410) and Highway 56.

d. Access: Management of public recreation would favor dispersed, low-impact recreation such as hiking, bird watching, and hunting. Public access would be allowed May 15 through November 30. The WMA would be closed to maintain an undisturbed area for wintering wildlife. Motorized access would be prohibited on interior roads or trails or off roads. The public could use existing roads and trails for hiking, bicycling, and horseback riding.

e. Pets: Pets would need to be on leash at all times except for trained dogs when bird hunting. At these times, the dogs must be under the control of the owner.

f. Camping: At present, FWP is not aware of any camping taking place on the proposed WMA. To minimize impacts and management costs associated with overnight camping, FWP proposes to prohibit overnight camping on the WMA. Firewood cutting would also not be allowed.

g. Hunting: Hunting for all legal game would be allowed during authorized seasons, except that no hunting, trapping, fishing, or other recreational activities would be allowed during the WMA closed period of December 1 through May 14. Hunters would need to be able to retrieve their game without motorized access.

h. Other Recreational Uses: FWP can permit other recreational uses if requested, such as issuing a special permit for scientific study or overnight stay, on a case-by-case basis. This can be done as long as the use does not compromise or undermine the purposes for which the WMA was created.

- i. **Fishing:** Fishing would be allowed on the WMA. Parking would be in designated areas along the major access roads. A developed fishing access site would not be provided.

COMMERCIAL USES

Only two ongoing, permitted, third-party land uses would be in place at the time of FWP’s expected purchase of these lands.

Gravel Storage: The Montana Department of Transportation (MDT) has expressed a desire to continue their use of an existing gravel storage area located west of Highway 56 south of Bull Lake on approximately 5 acres. Plum Creek and The Conservation Fund are working to reach a permit agreement with MDT on this use prior to conveyance of the property to FWP. This area was the site of an active gravel pit prior to 2004; however, the gravel permit has expired. The permittee is expected to restore this site within a year.

Welcome Signs: Lincoln County has requested a permit to place “Kootenai Country” welcome signs on the proposed WMA located along Highway 56 near the border of Lincoln and Sanders Counties. Plum Creek and The Conservation Fund are working to reach a permit agreement with Lincoln County on this request, and FWP would acquire the WMA subject to this permitted use.

FWP supports these limited uses of the WMA lands for gravel storage and for the county signs, as these purposes do not interfere with the purpose of the WMA and they do provide other community and public safety benefits.

Reserved Access: As part of its conveyance of the WMA lands to FWP via The Conservation Fund, Plum Creek is reserving a one-mile-long, 60-foot-wide road easement along the eastern boundary of the WMA. This reserved easement

provides Plum Creek with a secondary access to its lands in T28N, R33W, Section 3, which lies just north of the WMA. Plum Creek anticipates selling its Section 3 lands, and it is likely that home sites will be developed. The easement road, when developed, will not be open to the general public.

OPERATIONS AND MAINTENANCE

Fee-title lands acquired by FWP would be managed as the Bull River Wildlife Management Area (WMA) with operations funded primarily through the annual budgets for the Lower Clark Fork aquatic and terrestrial implementation programs. Avista funds these programs as a result of the Clark Fork Settlement Agreement associated with the relicensing of Cabinet Gorge and Noxon Rapids Dams. FWP will submit budget requests through the appropriate committees each year. Although exact start up and maintenance costs are not known at this time, FWP estimates the initial start-up costs to be as much as \$24,000, with annual costs around \$5,000 per year.

Initial Draft Budget:

Fencing and Gates	\$ 5,000
Parking Areas	\$ 5,000
Information Board Design/Materials	\$ 1,000
Weed Inventory and Initial Plan Impl.	\$ 5,000
Develop Final Management Plan	\$ 5,000
Surveys/Rights of Way Issues	\$ 3,000
TOTAL	\$ 24,000

Potential Annual Costs:

Fence/Gate Maintenance	\$ 1,500
Weed Control	\$ 1,000
Forest Maintenance	\$ 1,000
Public Information	\$ 1,000
TOTAL	\$ 4,500

Appendix C

BULL RIVER CONSERVATION EASEMENT MANAGEMENT PLAN AVISTA LAND

INTRODUCTION

The Bull River Conservation Easement Management Plan describes how Fish, Wildlife & Parks (FWP) will administer the approximately 559-acre Bull River conservation easement, donated by Avista Corporation (Avista) to FWP, as part of the Bull River/Lake Creek Conservation Project. The property is located along the upper Bull River in T28N, R33W, portions of Sections 15 and 16, Sanders County. This plan describes Avista's proposed management of the property, outlines the proposed conservation easement terms, and details how FWP proposes to administer the conservation easement. This plan does not address management of the Bull River Wildlife Management Area (WMA), which consists of the 1,164-acre Plum Creek parcel and 117 acres of the Genesis parcel to be acquired in fee by FWP adjacent to the Bull River conservation easement. A separate draft Bull River WMA Management Plan (Appendix B) applies to those lands.

BACKGROUND

In 2002, Avista acquired 716 acres from Genesis Mining Company with the financial and technical help of The Conservation Fund. Through a series of interconnected transactions, Avista and The Conservation Fund plan to sell 117 acres of the original 716-acre tract to FWP, donate another 40-acre tract of that land that was acquired with a federal North American Wetlands Act to FWP, and then donate a perpetual conservation easement on the balance or approximately 559 acres of this land. Avista plans to retain the 559 acres

as part of their aquatic and terrestrial habitat program to benefit fish and wildlife values in the Lower Clark Fork basin. This project helps the company meet its obligations to conserve spawning and rearing tributary habitats and wetland habitats under the current settlement agreement for their relicensing of Noxon and Cabinet Gorge Dams.

AVISTA'S LAND MANAGEMENT PLAN

As part of aquatic and terrestrial programs under the Clark Fork Settlement Agreement, Avista completed a draft management plan for this property. This plan is currently under review by the Management Committee.

According to this draft land management plan, the land will be managed primarily for its fish and wildlife values and compatible public recreational uses. The area is particularly important for its extensive riparian/wetlands and aquatic habitats associated with the Bull River and associated upland habitats. Specific objectives are to:

1. Protect the Bull River, its tributaries, riparian areas, and wetlands, with an emphasis on restoring and protecting native salmonid populations (i.e., bull trout, westslope cutthroat trout, and mountain whitefish) and other native fish, and aquatic organisms in the drainage.
2. Protect and maintain quality habitat for terrestrial species (i.e., wildlife,

amphibians, reptiles, insects), especially those depending on wetland and riparian habitat.

3. Protect and maintain the important wildlife corridor linking the East and West Cabinet Mountains, especially for grizzly bear.
4. Provide public access for compatible recreational opportunities.

CONSERVATION EASEMENT PURPOSE AND TERMS

The purposes of the donated conservation easement by Avista are to ensure perpetual conservation of these lands for fish and wildlife, while also leveraging a grant that helps protect the adjoining Plum Creek parcel to the north.

The terms of the conservation easement include:

- No subdivision of the property without the approval of FWP, and such subdivision may only be authorized if the land is transferring to a public land management agency or to a conservation organization that will manage the property for fish and wildlife values.
- Existing cabins may continue to be used for a period of no more than 3 years from the date of executing the conservation easement. No new construction of permanent structures such as cabins, homes, recreational facilities, or commercial or industrial buildings.
- No commercial outfitting or other long-term commercial use of the property. Limited short-term commercial use (such as fire-fighting camps) is allowed with prior approval.
- No diversion of surface waters on the property nor sale or transfer of water rights.
- No minerals, oil, or gas may be extracted from the property. Sand and gravel may be extracted only for management or restoration activities on the property, providing that there is an approved plan for site restoration and weed management.
- No dumping on the property.
- No livestock grazing or agricultural activities, except as part of an approved management plan to restore native vegetation.
- No off-road motor vehicle use, except as part of approved management activities.
- Timber management is permitted only for public safety or for meeting fish and wildlife habitat objectives under an approved plan.
- Public access must be provided for hunting, hiking and other nonmotorized recreation. Public uses of the property may be seasonally restricted if necessary to provide for wildlife security or to prevent resource damage.
- Habitat enhancement or restoration activities that further the goals of maintaining or improving habitat characteristics would be allowed as approved by FWP.

FWP ADMINISTRATION OF THE AVISTA CONSERVATION EASEMENT

As the holder of Avista's donated conservation easement, FWP has responsibility for identifying and protecting the conservation values of the property, including fish and wildlife habitat and water quality. FWP will also work cooperatively with Avista and the Clark Fork Management Committee to respond to any requests for activities that require prior approval by FWP, and to manage public use of the property in a manner consistent with habitat conservation and wildlife security. The specific components of FWP's administration of the conservation easement are reviewed below.

BASELINE INVENTORY

FWP will complete a thorough baseline inventory for the Avista property within 9 months of completing the conservation easement. Both the landowner and FWP sign the baseline inventory, which documents the condition of the land at the time of the conservation easement. It includes detailed photos, descriptions, and inventories of habitats and stand conditions, acreages, weed problems, roads and trails, and all buildings and other property improvements. FWP usually hires a qualified contractor to undertake baseline inventories for FWP conservation easements.

MONITORING

FWP staff or contractor will annually monitor the conservation easement. FWP will conduct at least one formal annual review of the property in the field, following the processes FWP currently uses for all of its conservation easements acquired under Habitat Montana. This process consists of landowner notification, development and use of a specific conservation easement checklist, and a written summary of the field visit and monitoring results. The information is kept in FWP's Helena archives, as well as in the Region's and Helena's Habitat Montana files with copies provided to the landowner. Any issues regarding compliance with the terms of the conservation easement are reviewed with the landowner, and appropriate steps are taken to remedy any management inconsistencies with the terms of the conservation easement.

NOXIOUS WEED MANAGEMENT

The spread of existing noxious weed species and the introduction and establishment of new exotic species are among the greatest risks to native plant communities and wildlife habitat across Montana. According to state law, noxious weed control is the

responsibility of the landowner. Currently, noxious weeds such as spotted knapweed, with minor amounts of St. Johnswort, mullen, and orange hawkweed, have been identified in small areas on the easement area, but occur at low densities due to an active weed management program practiced by the landowner. With continued effort, the densities and distributions of existing weed occurrences can be kept under control, at or below baseline levels. Avista intends to continue its current weed control program to meet this objective.

Avista also plans to continue to inventory the easement area annually for new weed occurrences by inspecting roadways, game and human trails, and other disturbed sites where weeds are likely to enter the property first. Any new species occurrences will be reported to the local county weed district and FWP, and the landowner will promptly attempt to eradicate these spot occurrences by the most efficient and effective means available.

PUBLIC ACCESS MANAGEMENT

The goal of the conservation easement is to provide access to the public for recreational purposes that are compatible with meeting the resource objectives for the property. Initially this goal would be met by allowing controlled public access primarily through existing walk-in access points with parking located along the South Fork Bull River and Ross Creek Roads. Motorized access on the entire property is restricted to reduce the spread of noxious weeds and decrease likelihood of vandalism, litter, and other land use problems. The property may be closed to public use during the winter months to reduce stress to wintering wildlife. Recreation users must restrain or have their pets under direct control at all times. No commercial outfitting would be allowed on the property.

FWP and the landowner would periodically reevaluate impacts of recreational uses seasons, and requests, and other issues over time to determine how the land and conservation easement management plans are working.

FWP anticipates that the public will display their gratitude for the right of public access

granted by the landowner by following rules and respecting private property. Actions to the contrary, such as littering or removal of gates will not be tolerated. Easement terms specifically reserve the right for FWP or the landowner to deny access to individuals for cause. For the landowner's protection, the public will be prohibited from building fires on the easement area.

Appendix D

DRAFT

BULL RIVER/LAKE CREEK CONSERVATION PROJECT

SOCIO-ECONOMIC ASSESSMENT

MONTANA FISH, WILDLIFE AND PARKS

September 2004

I. INTRODUCTION

House Bill 526, passed by the 1987 Legislature (MCA 87-1-241 and MCA 87-1-242), authorizes Fish, Wildlife & Parks (FWP) to acquire an interest in land for the purpose of protecting and improving wildlife habitat. These acquisitions can be through fee title, conservation easements, or leasing. In 1989, the Montana legislature passed House Bill 720 requiring that a socioeconomic assessment be completed when wildlife habitat is acquired using Habitat Montana monies. These assessments evaluate the significant social and economic impacts of the purchase on local governments, employment, schools, and impacts on local businesses.

This socioeconomic evaluation addresses the fee title purchase of 1,164 acres of land presently owned by Plum Creek Timber Company, L.P. and approximately 117 acres of land owned jointly by Avista Corporation and The Conservation Fund. The project also entails a donation of a conservation easement on another 559 acres held by Avista Corporation immediately south of the Plum Creek lands. This report addresses the social and economic impacts associated with both the fee-title purchase and the conservation easement donation.

II. PHYSICAL AND INSTITUTIONAL SETTING

A. Property Description

The properties are contiguous and are located about 20 miles south of Troy, Montana, at the watershed divide between the Bull River headwaters in Sanders County and Bull Lake in the Lake Creek drainage of Lincoln County. This fee title purchase encompasses 1,281 acres. A detailed description of this property is included on page 6 of the draft environmental assessment (EA).

B. Habitat and Wildlife Populations

Detailed descriptions of the habitat and fish and wildlife resources are provided in the draft EA.

C. Current Use

As mentioned in the draft EA, the upland portions of the 1,164-acre parcel currently owned by Plum Creek were logged within the past 25 years and do not contain commercial grade timber. The remaining lands are predominately open wetlands or steep hillsides much of which has recently burned. The Avista property consists of wetlands and riparian corridor associated with the Bull River and a portion of foothill habitat south of the river that was recently burned. This property also includes two existing cabins; one of these cabins may be retained after the purchase by FWP, to be used for administrative purposes. Avista plans to remove the cabin that is located on the conservation easement property within three years.

D. Management Alternatives

- 1) Fee title purchase of the subject property by FWP and acceptance of the donated conservation easement by Avista.
- 2) No purchase and no acceptance of the donated conservation easement.

Alternative 1. Fee title purchase of the properties and acceptance of the donated conservation easement will protect the integrity of this complex as a corridor for grizzly bears and other wildlife to move between the East and West Cabinet Mountains, preserve important native bull and cutthroat trout habitat, protect winter range for large ungulates, and provide for public access to the property.

Alternative 2. The option of no purchase or conservation easement leaves most of these lands at risk in terms of preserving all of the wildlife habitat value and providing public access. If FWP does not purchase the subject property, the possibility of subdivision may become a real threat for plum Creek lands given the location of the property and the fact that Plum Creek has targeted its land for sale rather than for long-term timber management. Portions of the Avista property could be subdivided and sold as well, and existing cabins could be utilized.

III. SOCIAL AND ECONOMIC IMPACTS

Section II identified the management alternatives this report addresses. Fee title purchase and the donated conservation easement will provide long-term protection of important fish and wildlife habitats and provide for public access. Section III quantifies the social and economic consequences of the two management alternatives following two basic accounting stances: financial and local area impacts.

Financial impacts address the cost of the fee title purchase to FWP and review the impacts on tax revenues to local government agencies including school districts.

Expenditure data associated with the use of the property provides information for analyzing the impacts these expenditures have on local businesses (i.e., income and employment).

A. Financial Impacts

The financial impacts on FWP are related to the fee title purchase price and the maintenance/management costs. The money for the fee title purchase is a complex partnership of federal Habitat Conservation Plan funds matched by the value of a conservation easement donated by Avista and in-kind services donated by FWP and Avista.

The fee title lands purchased will be managed as the Bull River Wildlife Management Area. The startup costs associated with the development of this new management area are estimated to be \$24,000 and are itemized in the draft management plan for the Bull River WMA. Annual maintenance/management costs associated with this WMA are expected to be about \$4,500.

The financial impacts to local governments are the potential changes in tax revenues resulting from the fee title purchase. MCA 87-1-603 states that "the treasurer of each county in which the

Department owns any land shall describe the land, state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen.” Currently the tax payments on these properties to Sanders and Lincoln Counties amount to \$1,430 and \$155 respectively. FWP will continue to pay the tax assessment on the properties at the rate it would be taxable to a private citizen. It is anticipated that the cabin on the Avista property would be removed within three years, and the subsequent tax assessment to Sanders County would be reduced by \$300.

There will be some changes in tax revenues as noted above to local governments including schools due to the purchase of this land by FWP and the donation of the conservation easement by Avista.

B. Economic Impacts

The purchase of this land will have no impacts on the timber industry. As the draft EA states, this land was logged within the past 25 years and does not contain commercial grade timber. FWP plans to undertake appropriate thinning activities to maintain a healthy productive stand. In the long term, timber management would be focused on meeting fish and wildlife management objectives. The development of these lands as a Wildlife Management Area will provide some positive financial impacts to local businesses due to the weed control, fencing, and parking area improvements planned.

FINDINGS AND CONCLUSIONS

The fee title purchase of the subject properties will not have a significant effect on tax revenues collected by Sanders and Lincoln Counties since FWP is required by law to pay the assessment that a private party would pay on these lands.

The financial impact to local businesses will be neutral to positive. The properties do not contain any significant amount of commercial timber since these trees were cut in the past 25 years. Public hunting has been allowed on both Plum Creek and Avista lands through the Block Management Program and access will continue to be provided. The development of these lands into a wildlife management area and annual maintenance needs will provide positive impacts to local businesses.