

DRAFT
Environmental Assessment
Schultz-Gran Prairie Ranches Conservation Lease and Restoration Proposal
Petroleum County, Montana
Montana Sage Grouse Oversight Team
July 5, 2019

I. Introduction

The Montana Sage Grouse Oversight Team (MSGOT) is preparing an Environmental Assessment (EA) to analyze effects associated with the Schultz-Gran Prairie Ranches Conservation Lease and Restoration Project.

The Program invited submission of complete applications by May 13, 2019. The Petroleum County Conservation District sponsored and submitted a grant application request for funding from the Stewardship Account to support a payment for a 25-year term conservation lease on the Schultz-Gran Prairie Ranches. Petroleum County Conservation District is an agency/organization eligible to apply for Stewardship Account grants.¹

Term leases are similar to perpetual easements in that the landowner receives payment in exchange for voluntarily not exercising rights to develop certain surface uses of the property (e.g. subdivision, conversion to cropland). Term leases differ from perpetual conservation easements in that term leases are for a fixed number of years only, and the landowner decides the number of years or duration of the lease. At the expiration of the term, the lease expires, and the landowner is free to exercise those rights once again. The minimum lease duration is 15 years. Here, the landowner has selected a duration of 25 years.

The estimated payment for a 25-year term lease/restoration effort is \$590,881. The full amount of the lease would be paid using Stewardship Account funds through a one-time payment. The costs to implement the restoration work could be either a one-time payment or reimbursable as they are implemented. Petroleum County Conservation District is also requesting an estimated \$20,000 in project-related costs that are directly related to the purpose of the grant to create mitigation credits. Additional project costs include doing the required annual monitoring for compliance with the lease terms, preparing and submitting an annual monitoring report, and the costs associated with the key function required for all credit sites in the Montana sage grouse mitigation system. The final project costs for the duration of the 25-year term lease/restoration project will be finalized later this summer and are not expected to exceed \$30,000.

¹ MCA § 76-15-101 et seq., MCA § 76-22-110 (3).

II. Authority and Direction

The authority and direction under which this project is being proposed is provided by the Montana Greater Sage Grouse Stewardship Act (Act),² Administrative Rules of Montana 14.6.101 through 106, and MSGOT Grant Procedures 01-2016. Indeed, the Act and associated appropriations are key pillars of Montana's Sage Grouse Conservation Strategy.

The 2015 Montana Legislature created the grant program when it passed the Greater Sage Grouse Stewardship Act and created a special revenue account (Stewardship Fund or Fund). The purpose of the Act is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting greater sage grouse (*Centrocercus urophasianus*) habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas.³ Implementation of Montana's Conservation Strategy through expenditures from the Fund is an important step in demonstrating Montana's commitment to ameliorate threats and take affirmative actions to conserve important habitats.

Another important aspect of habitat conservation entails mitigating for impacts of disturbance to habitat due to development in habitats designated for conservation as core areas, general habitat, or a connectivity area.⁴ Montana's Conservation Strategy recognizes the mitigation hierarchy of avoidance, minimization, restoration / reclamation, and replacement through compensatory mitigation.⁵ The majority of the Fund dollars must be awarded to projects that generate credits that are available for compensatory mitigation.⁶

Organizations or agencies are eligible to receive grant funding if they hold and maintain conservation easements or leases or that are directly involved in sage grouse habitat mitigation and enhancement activities approved by MSGOT.⁷

A project is eligible if it is located, at least in part, on land identified as Core Area, General Habitat, or Connectivity Area.⁸ Maps delineating these areas are available on the Program's website.⁹ A project is eligible if it will maintain, enhance, restore, expand, or benefit sage grouse habitat and populations for the heritage of Montana and its people through voluntary, incentive-based efforts.¹⁰ Eligible projects may include:

- Reduction of conifer encroachment;¹¹
- Maintenance, restoration, or improvement of sagebrush health or quality;¹²

² MCA § 76-22-101 et seq.

³ MCA § 76-22-102(2).

⁴ Executive Orders 12-2015 and 21-2015.

⁵ Executive Order 12-2015; Montana Greater Sage Grouse Stewardship Act, MCA §76-11-101 et seq.

⁶ MCA § 76-22-109(4).

⁷ MCA § 76-22-110(3); 14.6.101(1), (5), ARM.

⁸ MCA § 76-22-102(2)(Establishing grant funding for sage grouse conservation measures on lands that "lie within core areas, general habitat, or connectivity areas.").

⁹ See <http://sagegrouse.mt.gov>.

¹⁰ MCA § 76-22-110(1).

¹¹ MCA § 76-22-110(1)(a).

- Incentives to reduce the conversion of grazing land to cropland;¹³
- Restoration of cropland to grazing land;¹⁴
- Modification of fire management to conserve sage grouse habitat or populations;¹⁵
- Demarcation of fences to reduce sage grouse collisions;¹⁶
- Reduction of unnatural perching platforms for raptors;¹⁷
- Reduction of unnatural safe havens for predators;¹⁸
- Reduction of the spread of invasive weeds that harm sagebrush health or sage grouse habitat;¹⁹
- Purchase or acquisition of leases, term conservation easements, or permanent conservation easements that conserve or maintain sage grouse habitat, protect grazing lands, or conserve sage grouse populations;²⁰
- Sage grouse habitat enhancement that provides project developers the ability to use improved habitat for compensatory mitigation under MCA § 76-22-111;²¹
- Establishment of a habitat exchange to develop and market credits consistent with the purposes of the Act so long as other requirements of the Act are met;²² and
- Other project proposals that MSGOT determines are consistent with the purposes of the Act.²³

A project is ineligible if it seeks grant funding:

- For fee simple acquisition of private land;²⁴
- To purchase water rights;²⁵
- To purchase a lease or conservation easement that requires recreational access or prohibits hunting, fishing, or trapping as part of its terms;²⁶
- To allow the release of any species listed under MCA § 87-5-107 or the federal Endangered Species Act, 16 U.S.C. 1531, et seq;²⁷
- To fund a habitat exchange that does not meet the requirements of MCA § 76-22-110(1)(l);
- For a project involving land owned by multiple landowners, including state and federal land, in which the majority of the involved acres are not privately held or the

¹² MCA § 76-22-110(1)(c).

¹³ MCA § 76-22-110(1)(e).

¹⁴ MCA § 76-22-110(1)(f).

¹⁵ MCA § 76-22-110(1)(g).

¹⁶ MCA § 76-22-110(1)(h).

¹⁷ MCA § 76-22-110(1)(i).

¹⁸ MCA § 76-22-110(1)(j).

¹⁹ MCA § 76-22-110(1)(b).

²⁰ MCA § 76-22-110(1)(d).

²¹ MCA § 76-22-110(1)(k).

²² MCA § 76-22-110(1)(l).

²³ MCA § 76-22-110(1)(m).

²⁴ MCA § 76-22-109(5)(a).

²⁵ MCA § 76-22-109(5)(b).

²⁶ MCA § 76-22-109(5)(c).

²⁷ MCA § 76-22-109(5)(d).

proposed project does not benefit sage grouse across all of the land included in the project;²⁸

- To supplement or replace the operating budget of an agency or organization, except for budget items that directly relate to the purposes of the grant;²⁹
- For a lease or conservation easement in which:
 - The state will not be named a third-party beneficiary to the lease or easement with the contingent right to enforce the terms of the lease or easement if the grantee fails to do so
 - The agreement will not provide that the lease or easement may not be transferred for value, sold, or extinguished without consent of the department.
 - Attempts to preclude the State from taking legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this Act for the creation of the lease or easement;³⁰
- To fund a project that does not meet the criteria of MCA § 76-22-110; or
- Through a late, incomplete, or improperly submitted application.³¹

When considering grant applications, MSGOT may consider proposals involving land owned by multiple land owners, but the majority of the involved acres must be privately held and the benefits of the grant must extend across all of the land included in the proposal.³²

The Act requires that the State retain a 3rd party contingent right to enforce the terms of the lease. Otherwise the Petroleum County Conservation District is the holder of the lease.

III. Description of the Proposed Action

The Petroleum County Conservation District is proposing to lease parcels of land owned by Schultz Family. The land in the proposed lease would include 5,624 acres. The Schultz-Gran Prairie Ranches adjoin the King Ranch, which is the subject of another application for a term lease submitted by Petroleum County Conservation District (30-year term lease on 11,073 acres). The Schultz-Gran Prairie Ranches are located in the Yellow Water Triangle area southwest of Winnett.

In addition to the term lease, Schultz-Gran Prairie Ranches and the Petroleum County Conservation District propose to undertake additional restoration on lands that would be included in the lease. Restoration efforts entail removing conifers in four areas on the ranch and reseeding in one area, totaling 73 acres of restoration. If selected for funding, the

²⁸ MCA § 76-22-110(2).

²⁹ MCA § 76-22-110(4).

³⁰ MCA § 76-22-112.

³¹ 14.6.102(1)-(3), ARM.

³² MCA § 76-22-110(3).

restoration work costs would be cost-shared with NRCS, and those lands would be included in the term lease.

The Schultz-Gran Prairie Ranches lands are intermingled with U.S. Bureau of Land Management Lands and State Trust Land in a checkboard fashion. Schultz-Gran Prairie Ranches hold current grazing permits on these lands within the overall project boundary. The private, state, and federal lands are managed holistically through a rotational grazing system.

The Schultz-Gran Prairie Ranches proposed lease/restoration lands have 36 active sage grouse leks within 12 miles, 21 of which are located within eight miles. Eleven leks are located within four miles and four leks are located within two miles. See Appendix 1.

The Schultz-Gran Prairie Ranch lease project area contains a single building envelope in the western portion of the project. The likely terms of the lease that would be negotiated, if funded, are summarized below:

The terms of the conservation lease would permit the following:

- Agricultural activities. The lease would allow agricultural operations that maintain, restore, and conserve the sage brush and other grasslands on the property consistent with sage grouse conservation and the Greater Sage-Grouse Stewardship Act.³³
- Grazing and livestock production: A management plan would guide grazing and be incorporated by reference into the lease. The landowner could graze, hay, harvest for hay and non-crop activities, and conduct common grazing practices provided that such activities be conducted consistent with the conservation purposes the Stewardship Act. The production, processing and marketing of livestock compatible with restoration and conservation of sage brush and other grassland, grazing uses, and related conservation values would be allowed. Temporary non-native cover crops would be permitted in native prairie and rangeland restoration activities.
- Cropland production. The Schultz-Gran Prairie Ranches would retain the right to continue farming and cultivating those areas of the property currently in crop production.³⁴
- Recreational use. The Schultz-Gran Prairie Ranches would retain the right to continue undeveloped non-commercial recreation and undeveloped commercial recreation including, but not limited to, hunting, fishing, hiking, and wildlife viewing, provided that all such activities remain consistent with conservation of sage grouse habitat.
- Water resources. The Schultz-Gran Prairie Ranches would retain the right to restore, enhance, and develop water resources, including ponds, for permitted agricultural uses, livestock uses, fish and wildlife uses, domestic needs, and private recreation.

³³ MCA § 76-22-110(3).

³⁴ See Appendix 1 for details.

- Structures and building envelopes. There are presently no residential buildings located on the 5,624 acres of private land proposed for funding. One building envelope would be reserved.
- Transfer of land. Any transfer of land would be subject to the terms, rights, restrictions, and obligations contained in the lease.
- Timber removal. Personal use of timber resources, and permission to deal with natural occurrences such as disease would be permitted. Selective harvest and removal of conifers to restore sage grouse nesting habitat would also be permitted.
- Fencing and road maintenance. Existing fences may be maintained and repaired. New fences would be prohibited within 0.6 miles of active sage grouse leks. Existing roads may be repaired and maintained.
- Renewable energy production for use on the property. The Schultz-Gran Prairie Ranches would retain the right to construct solar generation facilities within any building envelope or for purposes of powering water pumps for watering livestock or powering electric fences. Any associated distribution lines must be buried whenever feasible.
- Residence-based business. The Schultz-Gran Prairie Ranches would reserve the right to conduct businesses within their residential dwelling unit or a new structure erected within the reserved building envelope, with the exception of sales or services business involving regular visits to the property by the general public or delivery trucks, or the retail sale of goods produced on the property.
- Guest ranching business. The Schultz-Gran Prairie Ranches would retain the right to use the property, or lease the property to a third party, for a commercial guest ranching business, consistent with sage grouse conservation and the purposes of the Stewardship Act.

The terms of the draft conservation lease would prohibit the following:

- Sagebrush eradication and treatment. Farming, irrigation, cultivating and “sodbusting” outside of the crop areas delineated in Appendix 1 are prohibited, except to restore native species. Sodbusting is defined as any cultivation, discing, plowing, or disturbance of native soils and vegetation by mechanical means, including without limitation engine powered machinery and horse- or mule-drawn plows and discs.
- Subdivision. The division, subdivision, or de facto subdivision of the property would be prohibited. The property may be leased to third parties for traditional agricultural purposes, so long as the terms of the lease apply.
- Mineral removal. Exploration, removal, or extraction of any mineral substance including but not limited to oil, gas, hydrocarbons, sand, and gravel is prohibited, except as by the lease terms, subject to dominant mineral estate and consistent with applicable state and federal laws.
- Commercial facilities. The establishment of commercial or industrial facilities would be prohibited.

- Dumping. The dumping or disposal of non-compostable refuse on the property, except non-hazardous wastes as permitted in the terms of the lease would be prohibited.
- Construction. The construction or placement of any buildings, except for those permitted in the terms of the lease (i.e. the reserved building envelope) would be prohibited.
- Campers, trailers, and recreational vehicles. Placing or use of these vehicles on the property, other than the Grantor's personal vehicles or guest's thereof would be prohibited. Grantor or guest's vehicles may be used on the property on a temporary basis, outside of the No Build Areas delineated in the terms of the lease.
- Billboards. The construction, maintenance, or erection of any billboards would be prohibited. Signage may be used only for posting of public access information, property sale, any business on the property, or notification of the lease.
- Roads. Constructions of new roads and granting road rights-of-way across or upon the property would be prohibited, except as permitted by the terms of the lease.
- Utilities. The granting of utility transmission lines and utility transmission line corridor right-of-way easements, or the expansion of existing utility transmission lines and utility transmission line right-of-way easements would be prohibited, except when granted by mutual agreement of the Grantor, Grantee, and the State, and only in cases of eminent domain.
- Game, fur, or fish farms. The raising or confinement for commercial purposes of "alternative livestock", "game animals", native or exotic fish (except private fish ponds), game birds, furbearers including mink and fox, other "wild animals", or "non-game wildlife" would be prohibited.
- Commercial timber harvest. The harvest of timber on the property for commercial purposes, including commercial timber harvests or thinning, would be prohibited.

These requirements are consistent with the best available information pertaining to habitat threats and habitat conservation for sage grouse,³⁵ and they are consistent with key requirements of the Policy for Evaluation of Conservation Efforts³⁶ (PECE) of the USFWS when making listing decisions in that the proposed action has a strong likelihood of eliminating key threats to sage grouse.

The State of Montana may, in a reasonable manner and at reasonable times, enter and inspect the Property to determine compliance with the terms of the lease as a third-party beneficiary, and to calculate and verify in the future any compensatory mitigation credits associated with the lease. These inspections may include sage grouse lek surveys, surveys of sage grouse habitat, and verification of credits made available for compensatory mitigation. If the State determines that an immediate entry is required because of non-enforcement by Petroleum County Conservation District, the State may make reasonable efforts to contact the landowner and Petroleum County Conservation District prior to entry, but such notice is not required to enter.

³⁵ Davies et al. 2011, Smith et al. 2016, and 80 FR 59858 (October 2, 2015).

³⁶ 68 FR 15100 (March 28, 2003).

Certain of the uses and practices, as permitted by the conservation lease, would be identified as being subject to specified conditions or to the requirement of and procedures for prior approval by Petroleum County Conservation District.

Notice and approval requirements are:

- Notice. For activities for which Petroleum County Conservation District's prior approval is not expressly required, the landowner would agree to notify Petroleum County Conservation District in writing fifteen days before exercising any reserved or retained right that may have an adverse impact.
- Approval. When Petroleum County Conservation District's approval is required prior to the landowner engaging in any activity, the landowner's request for approval will be in writing and contain detailed information regarding the proposed activity. Such a request must be delivered to Petroleum County Conservation District at least sixty days prior to the anticipated start date of such activity.

The State of Montana would receive notice from Petroleum County Conservation District of any requests for approval received from the landowner pertaining to mineral development. Petroleum County Conservation District will also provide the State of Montana with copies of the annual conservation lease monitoring report documenting the state of the property.

IV. The Habitat Quantification Tool and Application to Schultz-Gran Prairie Ranches

The Program calculated and will make credits available for compensatory mitigation in the future, pending funding of this project. All compensatory mitigation credits created based on the ecosystem services provided to sage grouse on the Schultz-Gran Prairie Ranches belong to the State. Any proceeds generated from their eventual sale is statutorily required to be deposited back into the Sage Grouse Stewardship Fund for reimbursement.³⁷

All Montana compensatory mitigation must be taken in consideration of applicable United States Fish and Wildlife Service sage grouse policies, state law, and any rules adopted pursuant to compensatory mitigation.³⁸ Federal guidance indicates that the landowner's lands would be eligible for compensatory mitigation by eliminating the threat of agricultural conversion through this lease using funding from the Montana Sage Grouse Stewardship Fund and matching in-kind contributions of the landowner and the Petroleum County Conservation District.³⁹ In this case, eliminating the agricultural conversion threat will conserve habitat through the 25 year term legal protection and maintenance of high standards for land stewardship.

MSGOT and the Program are required to apply the current designated Habitat Quantification Tool (HQT) to any project that is selected for funding from the Stewardship

³⁷ MCA §§ 76-22-109, 110, 111.

³⁸ MCA § 76-22-111(2).

³⁹ USFWS, *Greater Sage –Grouse Range-Wide Mitigation Framework*, 13-14 (2014); available at https://www.fws.gov/greatersagegrouse/documents/landowners/USFWS_GRSG%20RangeWide_Mitigation_Framework20140903.pdf.

Account. MCA § 76-6-109(4). The HQT is the scientific method used to evaluate vegetation and environmental conditions related to quality and quantity of sage grouse habitat and to quantify and calculate the number of credits created by a conservation project⁴⁰. MSGOT approved the current version of the HQT and accompanying Policy Guidance Document in October, 2018.

The HQT considers the many biophysical attributes of Greater sage-grouse seasonal habitats to estimate habitat functionality across multiple spatial and temporal scales. The HQT also accounts for existing human disturbances (e.g. roads, cropland, energy development, etc.). These measures of habitat, expressed as functional acres, are used for calculating conservation benefits (i.e., credits) from mitigation projects. Using habitat quality, expressed as functional acres, provides a common “habitat currency” that can be used for both credit and debit projects to ensure accurate accounting of habitat gains and losses and allows comparisons across projects using a common metric that is calculated in the exact same way.

The HQT starts with a baseline map of habitat quality, or presently existing functional acres on the landscape. Next, the HQT calculates the number of functional acres that would be created (or gained) because of the proposed 25-year term lease. Applicable policy modifiers are applied, based on the number of functional acres gained and calculated by the HQT. Once a conservation project is implemented, the total functional acres created (after application of policy modifiers) is converted to credits at a 1:1 ratio.

High HQT scores correspond to areas of high quality sage grouse habitat and are shown in warm, red colors on HQT maps. These will typically be areas with high levels of intact sagebrush, good brood-rearing habitat, high densities of breeding male sage grouse (i.e., many leks with high numbers of males displaying on them), and low levels of human disturbance. Higher numbers of functional acres gained translates to more credits created per physical acre of conservation.

For purposes of considering the number of credits that might be created by each conservation project proposed for funding from the Stewardship Account, the Program has run the HQT using the spatial data provided by the Petroleum County Conservation District (the grant applicant) for the proposed conservation lease on the Schultz-Gran Prairie Ranches. Results do not include non-deed lands within the perimeter of the proposed lease (i.e. federal, state, and private land inholdings owned by entities other than the Schultz-Gran Prairie Ranches are excluded from results and from the lease itself).

The HQT results show that the 25-year term lease on the Schultz-Gran Prairie Ranches would conserve high quality habitat. The functional acres gained per physical acre of the project per year for is 1.201. Higher numbers indicate more functional acres would be conserved and the habitat is of higher quality for the physical acres included in the proposed project. See Appendix 1.

⁴⁰ MCA § 76-6-103(9).

A 25-year term lease on the Schultz-Gran Prairie Ranches would generate 181,809.75 total credits. This equates to 1.293 credits created per physical acre of the project per year, after application of a 10% multiplier for newly-created functional acres. The 40% baseline adjustment is not applied to term leases less than 31 years. Higher numbers indicate more credits are created per year for each physical acre included in the proposed project. Higher numbers are more favorable, and more credits would be created per dollar expended from the Stewardship Account.

In addition to the credits generated, the resource values associated with this land parcel (for sage grouse) are significant. The amount of existing disturbance assessed by the Density Disturbance Calculation Tool is 7.45% which indicates a high level of existing anthropogenic disturbance before the lease's restrictive terms.⁴¹ This DDCT result will be considered by peer reviewers along with maps independently created by the Program in conjunction with the habitat quantification tool. See Section VII below (Public Involvement During the Grant Application Process and During Preparation of this Environmental Assessment) and Appendix 1.

V. Project Location

The conservation lease associated with this project would cover activities on a ranch owned by the Schultz Family in Petroleum County in Montana. The proposed lease property is located almost entirely in sage grouse Core Area in the Yellow Water Triangle area southwest of Winnett. See Appendix 1.

Montana's core areas approach underlying the Conservation Strategy suggests that conservation efforts should be targeted and prioritized for implementation in core areas, where the vast majority of Montana's breeding birds reside.

VI. Purpose and Need for the Proposed Action

One of the keys to conserving sage grouse in Montana is private lands, where most of Montana's sage grouse live. Through their stewardship, Montana landowners have played an important role in conserving sage grouse and sage grouse habitat. They will continue to play an important role in the future by helping to avoid a future listing under the federal Endangered Species Act.

Montanans recognize that it is in the best interest of our state, its economy, and our quality of life to maintain state management of sage grouse. Effective conservation requires an "all hands, all lands" approach where we work together collaboratively across all lands and address all threats to the sage grouse, including habitat loss and fragmentation.

Because loss and fragmentation of habitat is the key issue for sage grouse conservation, the 2015 Montana Legislature appropriated funds through the Stewardship Act to address threats to habitat. The purpose of the Act is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation

⁴¹ The DDCT total analysis area is the lease parcel buffered by 4 miles + a four mile buffer around any leks within that (only including core habitat). The total analysis area acreage is 133,447 acres.

measures that emphasize maintaining, enhancing, restoring, and expanding and benefitting sage grouse habitat and populations on private lands, and public lands as needed. A grant-funded project is eligible if it will maintain, enhance, restore, expand, or benefit sage grouse and populations for the heritage of Montana and its people through voluntary, incentive based efforts.

The purpose and need for the proposed action to provide Stewardship Fund dollars to assist Petroleum County Conservation District to enter a conservation lease stems from the fact that the USFWS identified habitat loss and fragmentation as key threats in Montana. Approximately 64% of sage grouse habitat in Montana is in private ownership.⁴² Montana's Sage Grouse Conservation Strategy proactively addresses this threat in a myriad of ways, but the Stewardship Fund is a key element in providing voluntary incentives to conserve sage grouse habitat and promote beneficial management practices on private lands.

The proposed lease area has a minimum of 36 sage grouse leks within 12 miles, 11 of which are located within four miles. Two active leks have been documented on the property. Conversion of native range to cultivated cropland has been identified as a key threat to sage grouse habitat and population persistence by USFWS.⁴³ It was recently shown that lek density may be reduced by more than 50% in the face of a 10% increase in cropland within 12.4 miles.⁴⁴ Importantly, if one parcel of land is converted, lek persistence in a "landscape ten times the size" of the parcel itself could be "strongly" reduced.⁴⁵ Therefore, efforts which conserve intact sagebrush landscapes already having little or no existing cropland contribute favorably to sage grouse persistence, particularly where the risk of conversion exists.

Sage grouse are a landscape scale species. "At distances of up to about 240 kilometers, individual [sage grouse] exhibit greater genetic similarity than expected by chance, suggesting that the cumulative effect of short-range dispersal translates to long range connectivity."⁴⁶ Even though dispersal distances for sage grouse are relatively short, "the cumulative effect of these [short range dispersals of 7-9 kilometers] translates into long-

⁴² Montana's Greater Sage Grouse Habitat Conservation Advisory Council. 2014. Greater Sage Grouse Habitat Conservation Strategy. Jan. 29, 2014.

⁴³ 80 Fed. Reg. 59858 (Oct. 2, 2015); Smith, J.T., J.S. Evans, .B.H. Martin, S. Baruch-Mordo, J.M. Kiesecker, D.E. Naugle. Reducing cultivation risk for at-risk species: predicting outcomes of conservation easements for sage grouse. 201 Biological Conservation 10-19 (June 2016).

⁴⁴ Smith, J.T., J.S. Evans, .B.H. Martin, S. Baruch-Mordo, J.M. Kiesecker, D.E. Naugle. Reducing cultivation risk for at-risk species: predicting outcomes of conservation easements for sage grouse. 201 Biological Conservation 10-19, 16 (June 2016).

⁴⁵ Smith, J.T., J.S. Evans, .B.H. Martin, S. Baruch-Mordo, J.M. Kiesecker, D.E. Naugle. Reducing cultivation risk for at-risk species: predicting outcomes of conservation easements for sage grouse. 201 Biological Conservation 10-19, 16 (June 2016).

⁴⁶ Cross, Todd B., David E. Naugle, John C. Carlson, and Michael K. Schwartz. 2016. Hierarchical Population Structure in Greater Sage-Grouse Provides Insight into Management Boundary Delineation. *Conserv. Genet.* DOI 10.1007/s10592-016-0872-z (available at <http://link.springer.com/article/10.1007/s10592-016-0872-z>).

range connectivity.⁴⁷ Habitat conservation efforts such as conservation leases maintain sagebrush cover and distribution at finer scales, thereby maintaining opportunities for population connectivity, and in turn, population persistence at larger scales.⁴⁸

Sage grouse are sensitive to habitat loss and fragmentation caused by development. Sage grouse are also sensitive to disrupting activities and noise near leks during the breeding season. Population declines have been associated with habitat loss and fragmentation.⁴⁹ Accordingly, mitigation for unavoidable impacts of development is an important aspect of not only Montana's Conservation Strategy, but of conservation efforts by other states and federal land management agencies throughout the range.⁵⁰ Indeed, mitigation efforts ameliorate or prevent threats to sage grouse and sagebrush habitats.

Another purpose and need for the proposed action to enter a grant agreement with Petroleum County Conservation District is implement Montana's mitigation framework. Mitigation addresses direct, indirect, and residual impacts of development. In Montana, implementation of the mitigation hierarchy is called for in Executive Order 12-2015 and by the Greater Sage Grouse Stewardship Act.⁵¹ Montana implements mitigation in the following sequential order: avoidance, minimization, restoration or reclamation, and lastly compensation or replacement. Compensatory mitigation is required only if impacts remain after measures are taken to avoid, minimize, and restore disturbed habitats. MSGOT reviews proposed compensatory mitigation plans.⁵²

The Act sets forth that Montana can implement compensatory mitigation either through establishment of habitat exchange⁵³ and/or a conservation bank.⁵⁴ Either way, the common thread for compensatory mitigation is that developers can offset impacts of activities that eliminate or fragment habitat through a free-market where parties conduct transactions. For example, conservation credits are created through efforts to conserve habitat and ameliorate or remove threats to sage grouse or sagebrush habitat. Development debits are created if a project that is implemented in designated sage grouse habitat incurs permanent impacts. Developers can offset impacts by purchasing credits.

⁴⁷ Cross, Todd B., David E. Naugle, John C. Carlson, and Michael K. Schwartz. 2016. Hierarchical Population Structure in Greater Sage-Grouse Provides Insight into Management Boundary Delineation. *Conserv. Genet.* DOI 10.1007/s10592-016-0872-z (available at <http://link.springer.com/article/10.1007/s10592-016-0872-z>).

⁴⁸ 80 Fed. Reg. 59858, 59867 (Oct. 2, 2015).

⁴⁹ 80 FR 59858, 59870-71 (Oct. 2, 2015).

⁵⁰ 80 FR 59858 (Oct. 2, 2015).

⁵¹ See MCA § 76-22-111(1) ("After complying with the sequencing provisions required of this Conservation Strategy (avoid, minimize, reclaim), a project developer may proceed with a proposed project which will cause adverse impacts to sage grouse if the developer provides compensatory mitigation for the debits of a project.").

⁵² MCA §§ 76-22-105(1)(g), 111(1)(b).

⁵³ MCA § 76-22-103(8) defines habitat exchange as "a market-based system that facilitates the exchange of credits and debits between interested parties."

⁵⁴ MCA § 76-22-103(2) defines conservation bank as "a site or group of sites established through an agreement with the U.S. Fish and Wildlife Service to provide ecological functions and services expressed as credits that are conserved and managed for sage grouse habitat and populations and used to offset debits occurring elsewhere."

A key purpose of the Stewardship Account grant program is to begin creating a pool of conservation credits, in anticipation of future demand. The Act requires MSGOT to prioritize projects that maximize the amount of credits generated per dollars of funds awarded from the Stewardship Fund.⁵⁵ Further, MSGOT is required to calculate and make available credits for conservation leases paid for with funds disbursed after May 7, 2015.⁵⁶

All compensatory mitigation (framework and habitat quantification tool) is statutorily required to consider the USFWS's Service's 2014 Greater Sage Grouse Range-wide Mitigation Framework.⁵⁷ By entering this grant agreement and executing a conservation lease, this project will generate conservation credits that will be calculated and made available, in compliance with the Act.

VII. Public Involvement During the Grant Application Process and During Preparation of this Environmental Assessment

The Act directed MSGOT to promulgate administrative rules to administer a grant program.⁵⁸ MSGOT adopted final rules and Procedures 01-2016 on February 19, 2016, consistent with the Montana Administrative Procedures Act. Three hearings were held, and public comment was solicited on the proposed rules. All MSGOT meetings are publicly-noticed and comment sought. The final rules took effect March 5, 2016. Additional formal rulemaking related to the Habitat Quantification Tool and Stewardship Account grants was completed in 2018-2019. Final administrative rules took effect in January, 2019.

On May 13, 2019, MSGOT offered the second grant cycle opportunity. This enabled the Program to begin soliciting applications. Public involvement opportunities were offered during the actual application process. The timeline is as follows:

- March 5: the Program issued a media release announcing the second grant cycle and the pre-application deadline of March 30, 2019 at 5:00 p.m.;
- March 30: eight total pre-applications were received (five proposals for permanent conservation easements and three proposals for term leases, two of which include restoration).;
- April 21: grant pre-applicants were notified of preliminary results for use in deciding whether to submit a complete application and continue in the selection process. The Program established an application deadline of May 13, 2019 at 5:00 p.m.;
- May 13: six total complete applications were received (three proposals for permanent conservation easements and three proposals for term leases, two of which include restoration);

⁵⁵ MCA § 76-22-109(4).

⁵⁶ MCA §§ 76-22-104(2), 105(3).

⁵⁷ Available at

https://www.fws.gov/greatersagegrouse/documents/Landowners/USFWS_GRS%20RangeWide_Mitigation_Framework20140903.pdf.

⁵⁸ MCA §76-22-104(1)-(7).

- June 6: a scoping notice summarizing each grant application was published to the Program's website and made available for public review; and
- June 7: the Program issued a media release announcing a public scoping comment opportunity to review all applications; comment period closed June 24, 2019 at 8:00 a.m.

All applications will be reviewed by the Program and an independent peer review committee. Independent peer reviewers have expertise and unique knowledge of the proposed project areas, sage grouse and sagebrush habitats, mitigation, and/or land conservation.

The Program also compiled independent statistics on variables such as number of leks, number of displaying males on leks, amount of existing disturbance using the Density and Disturbance Calculation Tool (DDCT), breeding habitat potential, conservation status of nearby lands, risk of cultivation, and lek vulnerability. The statistics were compiled for the proposed project area, the project area buffered by four miles, and the project area buffered by twelve miles. Four and twelve-mile buffers have biological relevance for nesting distances from leks and response distance to cultivation (see Section VI Purpose and Need for the Proposed Action for a detailed explanation of distance buffers).

These statistics allowed comparison of consistent metrics for sage grouse resource values across all applications to identify those with the greatest benefit and to assist in prioritization and ranking. See Appendix 1.

The Program solicited public scoping comments to initiate this EA, beginning on June 6, 2019 and ending on June 24, 2019. A specific project scoping notice was sent to individuals and organizations likely to have an interest in the proposal and project area (the Program's electronic "interested parties" list). Scoping notices were also available on the Program's website. Accommodations were also made for the public to submit comments electronically through the public comment web application tool located on the Grants webpage at <https://sagegrouse.mt.gov/Grants.html>. Interested parties could submit comments electronically or via postal mail.

No electronic or written public scoping comments were received specific to the proposed Schultz-Gran Prairie Ranches Conservation Lease and Restoration Project.

In accordance with the Montana Environmental Policy Act, public concerns about the project and potential environmental impacts must be considered and analyzed prior to making the decision of whether to grant the funding to Petroleum County Conservation District.

VIII. Other Cooperators, Partners and/or Agencies with Jurisdiction

Partners involved in this project include the private landowners, Petroleum County Conservation District, and MSGOT. BLM also manages lands within the proposed project area boundary. There are also blocks of Montana State Trust Lands within the proposed project area boundary. Montana's core area approach underlying the Conservation Strategy

calls for approaching conservation using an “all hands, all lands, all threats” approach that engages all landowners—both private and public land managing agencies. Executive Order 12-2015 seeks alignment between the state’s efforts and those of federal land managing agencies, particularly because of Montana’s checkboard ownership patterns.

IX. Description of Reasonable Alternatives Considered

During development of this project two distinct alternatives were considered, which were the Proposed Action Alternative and the No Action Alternative.

Proposed Action Alternative – Under the Action Alternative, MSGOT would authorize disbursement of funds from the Stewardship Fund Account to facilitate acquisition of the Schultz-Gran Prairie Ranches Conservation Lease, for the purpose of sage grouse conservation in Montana. This lease by the Petroleum County Conservation District would generate credits available later to be used as compensatory mitigation for other projects that impact sage grouse and sagebrush habitats. The Schultz-Gran Prairie Ranches Conservation Lease and Restoration analyzed in this EA was one proposal from six total applications for conservation-related projects seeking Stewardship Grant funding through a peer review process. As described in detail in Description of the Proposed Action section above, measures and terms would be required under the conservation lease that would provide measurable contributions for sage grouse conservation for at least 25 years, per the terms of the lease. Various lease and restoration terms are being negotiated between the private landowner, Petroleum County Conservation District, and the state. They will be made available in the future. Preliminary terms are known and referenced in this Draft EA.

No Action Alternative – Under the No Action Alternative, MSGOT would not authorize disbursement of funds in the Stewardship Fund Account to facilitate acquisition of the Schultz-Gran Prairie Ranches Conservation Lease by the Petroleum County Conservation District for the purpose of sage grouse conservation in Montana. Project mitigation credits generated under the lease would not be realized and would not be available later to be used as compensatory mitigation for other projects around the state involving energy or agricultural development etc., which incurred permanent adverse impacts to designated sage grouse habitats. Land use restrictions that would be required under the conservation lease providing measurable contributions for sage grouse habitat conservation for 25 years would not be required or implemented.

V. Evaluation of Impacts on the Physical Environment and Mitigation

A. Land and Soil Resources

1. Proposed Action – Under the Proposed Action no direct effects to land and soil resources would occur in association with authorizing the grant funds for the 5,624-acre conservation lease. The lease itself would contain prohibitions on soil-impacting activities over the length of the lease such as, limits on construction of human developments.

The restoration project would include reseeding and would therefore require soil disturbance for the duration of this activity. Once the restoration work is completed, the soil will no longer be used for crop

production, and therefore would remain as reseeded habitat and not cultivated annually.

The production, processing and marketing of livestock compatible with restoration and conservation of sage brush and other grassland, grazing uses, and related conservation values are allowed provided such activities are conducted in a manner consistent with the terms of the lease. The ranch currently uses a deferred grazing rotation system to manage livestock production. Temporary non-native cover crops are permitted in native prairie and rangeland restoration activities. Farming, irrigation, cultivating and “sodbusting” outside of the existing disturbance areas, shown in Appendix 1, are prohibited, except to restore native species. Sodbusting is defined as any cultivation, disking, plowing, or disturbance of native soils and vegetation by mechanical means, including without limitation engine powered machinery and horse- or mule-drawn plows and discs.

Other surface-disturbing activities are prohibited, including surface mining, commercial gravel operations, wind and solar development, and conversion of rangeland to cropland. Thus, lower risk of adverse indirect and cumulative effects to soil and land resources would be expected under this alternative.

2. No Action – Under the No Action Alternative, funding support for the Schultz-Gran Prairie Ranches Conservation Lease Project would not be provided. Restrictions on potential soil and land-disturbing activities would not be implemented under the lease terms, and greater risk of indirect and cumulative impacts to soil and land resources over time would be present.

B. Air Resources

1. Proposed Action – Under the Proposed Action no direct, indirect or cumulative effects to air quality or other resources would occur in association with authorizing the grant funds for the 5,624 -acre conservation lease.
2. No Action – Under this alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. However, no direct, indirect or cumulative effects to air quality or other air-related resources would be anticipated.

C. Water Resources

1. Proposed Action – The proposed project is located in the middle Missouri watershed. The Schultz-Gran Prairie Ranches may restore, enhance, and develop water resources, including ponds, for permitted agricultural uses, livestock uses, fish and wildlife uses, domestic needs, and private

recreation. No exploration or extraction may take place in a water body, nor may any water quality be degraded by actions undertaken on the property. Under the Proposed Action no direct, indirect or cumulative effects to water quality, streams or other aquatic resources would occur in association with authorizing the grant funds for the 5,624 -acre conservation lease.

2. No Action – Under this alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. However, no direct, indirect or cumulative effects to water quality, streams or other aquatic resources would be anticipated.

D. Vegetation Resources

1. Proposed Action – A data query of endangered, threatened and sensitive plants for the conservation lease area with one-mile buffer was conducted by the Program. The search turned up no results. Under the Proposed Action no direct effects to existing vegetation on the project area would occur in association with authorizing the grant funds for the 5,624-acre conservation lease. However, over the long term, appreciable indirect and cumulative beneficial effects associated with protection and conservation of native vegetation communities would be realized by authorizing funding to secure the conservation lease.

The restoration activities include the removal of conifer and reseedling. These activities will temporarily disturb exiting vegetation in order to restore ideal vegetation and habitat for sage grouse.

Farming, irrigation, or cultivation outside of the existing disturbance shown in Appendix 1 is prohibited, except to restore native species, which the restoration activity would seek to do. Intentional conversion of native vegetation to exotic species or the introduction of non-native plant species through farming, plowing or any type of cultivation is prohibited.

Specific measures addressed in the lease that would provide protections for vegetation communities include:

- Limits on the number of allowable additional residential dwelling units and associated outbuildings;
- Lease standards required for the grazing management plan developed in coordination with the Natural Resource Conservation Service;
- Prohibition on commercial timber operations, while allowing for the personal use of timber resources including management actions for natural occurrences such as disease, and selective harvest and removal of conifers to restore sage grouse nesting habitat;

- Sagebrush eradication and treatment stipulations of Executive Order 12-2015;
- Prohibition of surface mining;
- Prohibition of commercial gravel operations;
- Prohibition of rangeland conversion to cropland;
- Prohibition of new road construction other than for residential access;
- Prohibition of turbine-style wind energy development; and
- Prohibition of commercial wind and solar development.

This suite of measures would minimize the potential for destruction, disturbance, removal, and conversion of sagebrush and grassland vegetation communities in for 25 years, which would provide considerable protection and certainty for the duration of the lease.

2. No Action – Under this alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. Thus, no protective restrictions would be established under the lease at this time. Over time, greater risk of adverse indirect and cumulative effects to existing vegetation communities would be present due to numerous land uses and choices made by the present and future landowners and public land managers.

E. Fish and Wildlife Resources

1. Proposed Action -- A data query of endangered, threatened and sensitive species for the conservation lease area with one-mile buffer was conducted by the Program. There are no records for federally listed endangered or threatened species located for this area. Records were obtained for two sensitive species associated with sagebrush and shrubland, as described in Table 1 below.

Schultz Ranch Species of Concern Report										
BIRDS (AVES)										
Scientific Name Common Name	Family (Scientific) Family (Common)	Global Rank	State Rank	USFWS	USFS	BLM	FWP Swap	% of Global Breeding Range in MT	% of MT that's in Breeding Range	Habitat
<i>Lanius ludovicianus</i> Loggerhead Shrike	Laniidae Shrikes	G4	S3B	MBTA; BCC10; BCC17		Sensitive	SGCN3	4%	100%	Shrubland
<i>Centrocercus urophasianus</i> Greater Sage - Grouse	Phasianidae Upland Game Bird	G3G4	S2		Sensitive - Known on Forests(BD) Sensitive - Suspected on Forests(CG,HLC)	Sensitive	SGCN2	17%	75%	Sagebrush

Table 1: Results of the Montana Species of Concern record search for Schultz-Gran Prairie Ranch (June 2019)

The lease area also provides habitat for numerous other terrestrial and avian species endemic to central Montana. Under the Proposed Action, no direct negative effects to existing habitats on the project area would occur in association with authorizing the grant funds for the 5,624 -acre conservation lease.

However, over the long term, appreciable indirect and cumulative beneficial effects associated with protection and conservation of native sagebrush/grassland habitat would be realized by authorizing funding to secure the conservation lease.

Specific measures addressed in the lease that would provide protections for fish and wildlife, and sage grouse in particular include:

- Limits on the number of allowable additional residential dwelling units and associated outbuildings;
- lease standards required for the grazing management plan developed in coordination with the Natural Resource Conservation Service;
- Prohibition on commercial timber operations, while allowing for the personal use of timber resources including management actions for natural occurrences such as disease, and selective harvest and removal of conifers to restore sage grouse nesting habitat;
- Sagebrush eradication and treatment stipulations of Executive Order 12-2015;
- Prohibition of surface mining;
- Prohibition of commercial gravel operations;
- Prohibition of rangeland conversion to cropland;
- Prohibition of new road construction other than for residential access;
- Prohibition of turbine-style wind energy development; and
- Prohibition of commercial wind and solar development.

This suite of measures would minimize the potential for destruction, disturbance, removal, and conversion of sagebrush and grassland vegetation communities for 25 years, which would provide considerable protection and certainty for sage grouse and other associated sagebrush/rangeland species into the near future.

2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624 -acre conservation lease would not occur. Thus, no protective restrictions would be established under the lease at this time. Over time, greater risk of adverse indirect and cumulative effects to existing sagebrush and grassland-prairie habitats would be present due to numerous land uses and choices made by present and future landowners and public land managers.

F. Adjacent Lands

1. Proposed Action –In general, land uses outside of the proposed conservation lease area would not be affected. Lands adjacent to the project area and in the vicinity of the project area are comprised primarily of other private lands, as well as state trust lands and lands managed by the BLM. Under the Proposed Action no direct effects to management of neighboring lands within, or in the nearby vicinity of the project area, would occur in association with authorizing the grant funds for the 5,624 -acre conservation lease on private land.

However, in the near future, land uses may be indirectly influenced on some neighboring lands due to conservation restrictions in the proposed lease area, such as limitations on new road construction through the lease parcels themselves. The extent that restrictions would limit or influence other land uses on nearby non- lease lands is uncertain and would depend on the resource development potential of each parcel and management objectives of each individual land owner over time.

As with cumulative conservation benefits obtained by funding and granting the conservation lease, some indirect cumulative restrictions on future resource development would occur on the parcel itself and to some extent the neighboring lands. Alternatively, in the future, neighboring lands may be viewed as having greater conservation opportunity potential, and become a priority for combining additional conservation lands, given the presence of this lease and investment in this block of habitat, for the length of the lease.

2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624 -acre conservation lease would not occur. Thus, no protective restrictions would be established under the lease at this time, and no direct, indirect or cumulative effects associated with adjacent or nearby lands would occur.

VI. Evaluation of Impacts on the Human Environment

A. Noise

1. Proposed Action -- Under the Proposed Action no direct, indirect or cumulative effects associated with noise or similar disturbance would occur in association with authorizing the grant funds for the 5,624-acre conservation lease. The restoration activities include the use of chainsaws to remove conifer. This activity is expected to occur in a way that will be least impactful to leks in the area. Additionally, efforts to minimize the risk of fire will be put in place to further protect the habitat. The reseeding activities will be considered standard agricultural practice, and therefore are not considered impactful.

2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. No direct, indirect or cumulative effects associated with noise or similar disturbance would occur.

B. Land Use

1. Proposed Action – Under the Proposed Action the lease terms would allow and promote traditional agricultural and ranching uses of the project area. The production, processing and marketing of livestock compatible with restoration and conservation of sage brush and other grassland, grazing uses, and related conservation values are allowed, provided such activities are conducted in a manner consistent with the terms of this lease. Temporary non-native cover crops are permitted in native prairie and rangeland restoration activities. Farming, irrigation, or cultivation outside of the existing disturbance shown in Appendix 1 is prohibited, except to restore native species, which the restoration activities outlined would seek to do. Intentional conversion of native vegetation to exotic species or the introduction of non-native plant species through farming, plowing or any type of cultivation is prohibited.

Restrictions on construction of new roads, sagebrush reduction or eradication, no surface occupancy, prohibition of mining etc. are aimed at providing high quality sagebrush/grassland habitat for wildlife into the future. However, several other land uses such as wind development, commercial gravel mining, oil and gas development to the extent the surface owner owns the mineral estate, range conversion, and real estate subdivision would be prohibited on these lands. Impacts related to implementation of these restrictions on the lease -covered lands would be cumulative at the local and statewide level. At the statewide level cumulative increases in lease lands and indirect reductions in other potential land uses would be offset through implementation of a conservation credit/banking program as envisioned under Executive Order 12-2015. In this manner, conservation protections would be afforded the sage grouse while allowing important land uses and resource development in Montana in a regulated, responsible manner.

2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. Thus, no direct, indirect or cumulative effects associated with current or future land uses would occur.

C. Human Health and Safety

1. Proposed Action -- Under the Proposed Action no foreseeable direct, indirect or cumulative effects associated with human health or safety would occur in association with authorizing the grant funds for the 5,624-acre conservation lease.

2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. No direct, indirect or cumulative effects associated with health and human safety would occur.

D. Community – Social

1. Proposed Action -- Under the Proposed Action no foreseeable direct, indirect or cumulative effects involving the disruption of native or traditional lifestyles or communities would occur in association with authorizing the grant funds for the 5,624-acre conservation lease. Ultimate approval and acquisition of the conservation lease would, over time, be expected to foster the maintenance of traditional ranching land uses and lifestyles in the local area.
2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. Thus, no direct, indirect or cumulative effects associated with the alteration of native or traditional lifestyles or communities would occur.

E. Taxes and Local Services

1. Proposed Action -- Under the Proposed Action no foreseeable direct, indirect or cumulative effects involving changes in state and federal taxes are anticipated on the lease property. Tax rates for the foreseeable future would be assessed based on market land values for the land use terms required by the lease agreement.
2. No Action -- Under the No Action Alternative, state and federal taxes for the 5,624 -acre parcel would continue to be assessed at the present value without the lease. Thus, no direct, indirect or cumulative effects would occur.

F. Aesthetics and Recreation

1. Proposed Action -- Under the Proposed Action there would be no foreseeable direct, indirect or cumulative effects in aesthetics or recreational opportunities would occur in association with authorizing the grant funds for the 5,624-acre conservation lease. Ultimate approval and acquisition of the conservation lease would over time, be expected to foster the maintenance of existing open space views and aesthetics in the local area, and potentially contribute to hunting and wildlife watching activities on adjacent properties.
2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. Thus, no direct, indirect or cumulative effects involving changes in aesthetics or recreational opportunities would occur.

G. Cultural / Historic Resources

1. Proposed Action – Under the Proposed Action no foreseeable direct, indirect or cumulative effects involving changes in cultural or historic resources would occur in association with authorizing the grant funds for the 5,624-acre conservation lease. A cultural resource information request was completed for private land sections where restoration activities would be implemented within the lease perimeter. Considering the majority non-ground disturbing nature of this project, no additional archaeological investigative work was conducted. A historic irrigation system located on BLM lands within Township 14N, Range 25E, Section 8 was documented. However, it is located outside the areas where restoration work would occur and therefore there will be no direct impact on the historic resource. The restoration will modify current land use, but not in any way that would affect cultural and historical resources. The lease will not modify current land use, and therefore will have no potential to physically or visually impact any kind of cultural or paleontological resources that may be present within the Area of Potential Effects (APE).
2. No Action -- Under the No Action Alternative, grant fund authorization for the 5,624-acre conservation lease would not occur. The project area is largely semi-arid, sagebrush covered steppe/foothills, and the topography is characteristically gentle to moderately steep, therefore the cultural and paleontological resources will continue to persist in the rather dry and stable environment. No direct, indirect or cumulative effects involving cultural resources would be anticipated.

X. Summary Evaluation of Significance and Mitigation

Under the proposed action, none of the impacts are severe, enduring, geographically widespread, or frequent. The quantity and quality of the natural resources, including any that may be considered unique or fragile, will not be adversely affected to a significant degree. There would be no precedent for the actions that would cause significant impacts, and there are no conflicts with local, State, or federal laws, requirements, or formal plans. Adverse impacts would be avoided, controlled, or mitigated by the design and implementation of the project to an extent that they are not significant.

XI. Evaluation of Need for an EIS

Based on the above assessment, which has not identified any significant negative impacts from the proposed action, an EIS is not required and an EA is the appropriate level of review. The overall impact from the successful completion of the proposed action would provide substantial long-term benefits to both the physical and human environment.

XII. Name, Contact Information of Preparers

- Anna Christman, Carolyn Sime
Sage Grouse Habitat Conservation Program Manager, Department of Natural Resources and Conservation. PO Box 201601, 1539 11th Ave, Helena, MT 59620.
E-mail: csime2@mt.gov; Work: (406) 444-0554.

XIII. Public Involvement

The public comment period will run July 8, 2019 through July 29, 2019.

Submit comments electronically and attach documents through the public comment web application tool located on the MSGOT webpage at <https://sagegrouse.mt.gov/Grants>. Electronic comments must be received by 11:59 p.m. on July 29, 2019.

Mail written comments to:

Montana Department of Natural Resources and Conservation
Montana Sage Grouse Habitat Conservation Program
Attn: Proposed Schultz-Gran Prairie Ranches Conservation Lease
1539 11th Ave.
Box 201601
Helena, MT 59620

Written comments must be postmarked and mailed on or before July 29, 2019.

XIV. Next Steps

After the close of the public comment period, the Program will take the following next steps:

- Public comments on the Draft EA will be reviewed;
- The Program will incorporate public comments and then prepare a final EA;
- At the September 18, 2019 MSGOT meeting, MSGOT will review:
 - Final Schultz-Gran Prairie Ranches Conservation Lease Proposal Environmental Assessment;

MSGOT is expected to make a final decision during their meeting on September 18, 2019. If approved by MSGOT, MSGOT would execute a grant agreement with Petroleum County Conservation District. Stewardship funds in the award amount of \$590,881 would be placed into escrow with a neutral, independent closing agent. The parties would provide closing instructions to the closing agent. The actual conservation lease closing is expected to occur by December 31, 2019.

Appendix 1

List of Maps

- Location
- Aerial Imagery
- Surrounding Public Lands
- Conserved Lands within 4 Miles
- Lek Proximity
- Existing Disturbance
- HQT Results Map: Local and Regional Scales






List of Tables

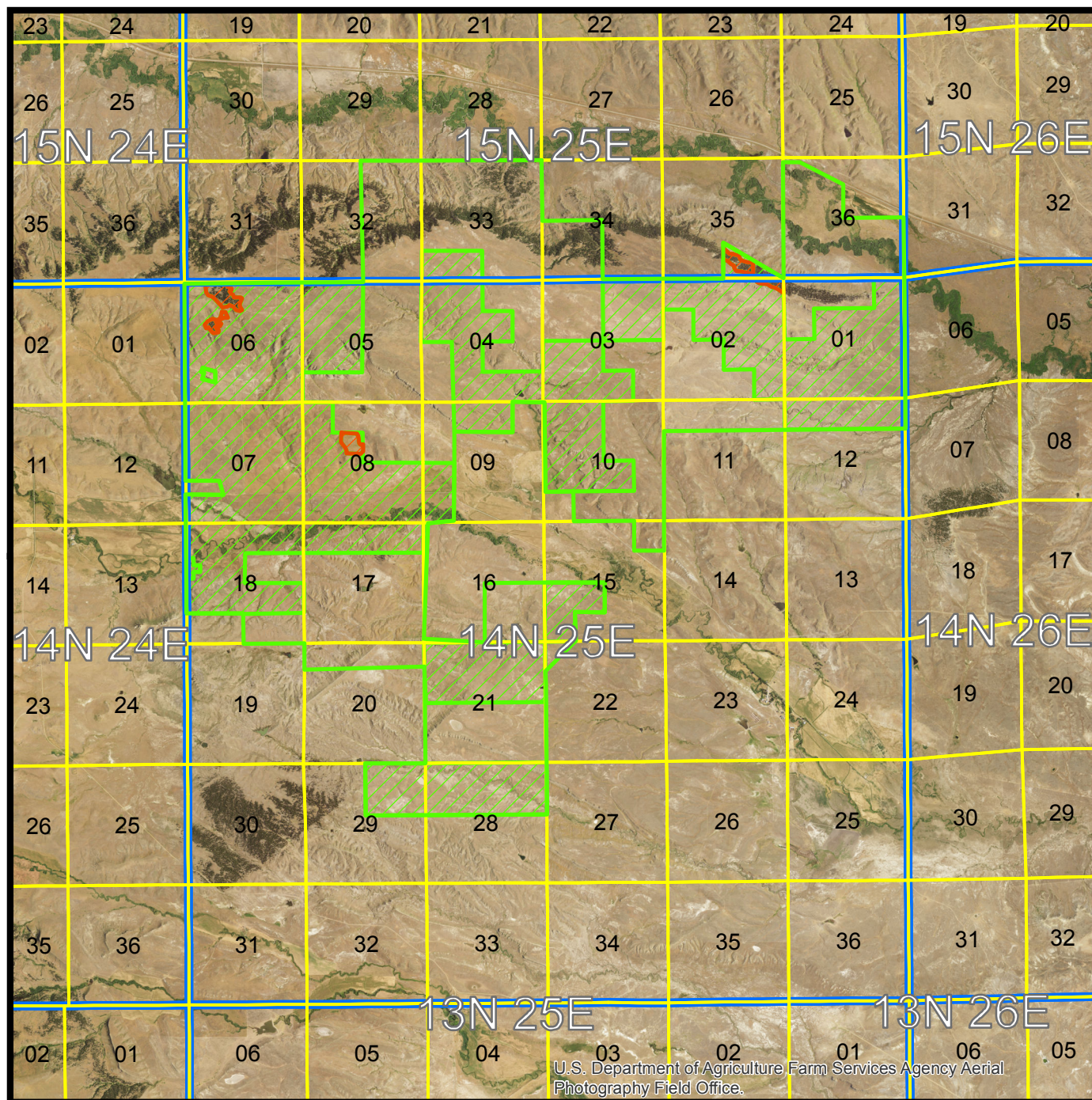
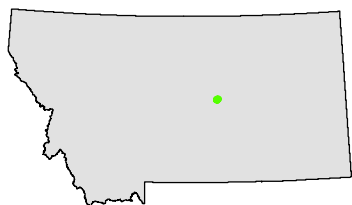
- HQT Metrics
- Overall Project Statistics

Schultz Ranch Conservation Lease and Restoration Location



MONTANA SAGE GROUSE
Habitat Conservation Program

-  **Proposed Project Boundary**
-  **Project Area**
-  **Restoration**
-  **Township, Range**
-  **Section**

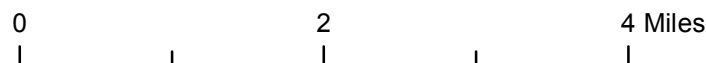


U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

Project Information:

Map Date: 28 May 2019
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Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

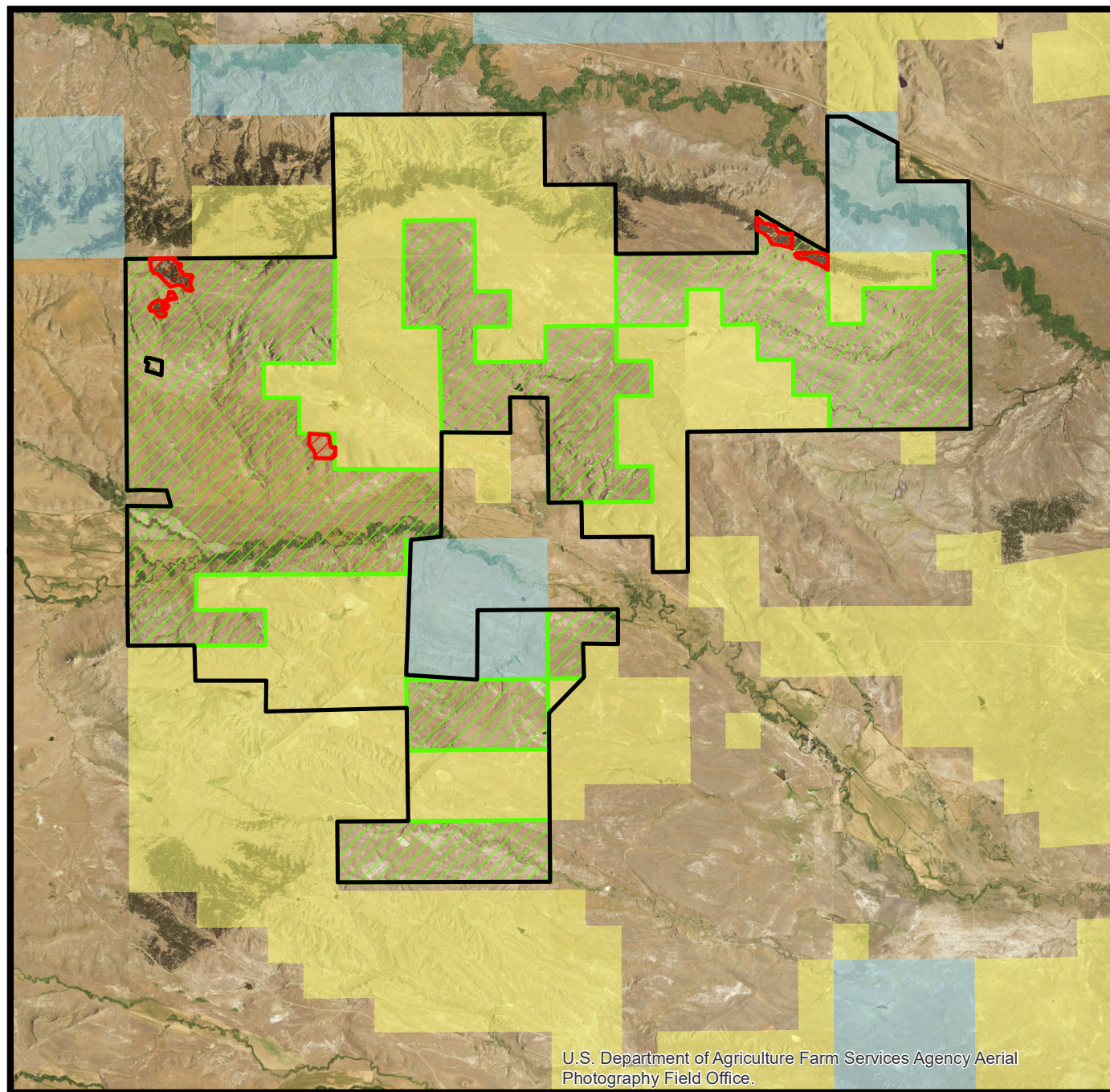
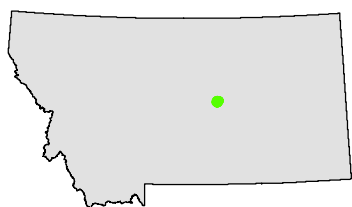


Habitat Preservation and Restoration on Schultz Ranch - Aerial Imagery of Project Area



MONTANA SAGE GROUSE
Habitat Conservation Program

-  **Project Area**
-  **Project Restoration**
-  **Proposed Project Boundary**
-  **US Bureau of Land Management**
-  **Montana State Trust Lands**



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

Project Information:

Map Date: 28 May 2019
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Grant Program\Second Cycle 2019\Complete
Applications due May 13\ArcMapFiles

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
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







0 1.5 3 Miles

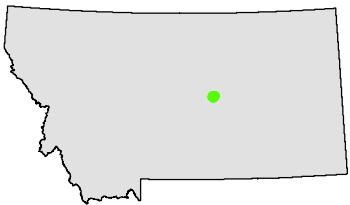
A horizontal scale bar with markings at 0, 1.5, and 3 miles.

Habitat Preservation and Restoration on Schultz Ranch - Surrounding Public Lands



MONTANA SAGE GROUSE
Habitat Conservation Program

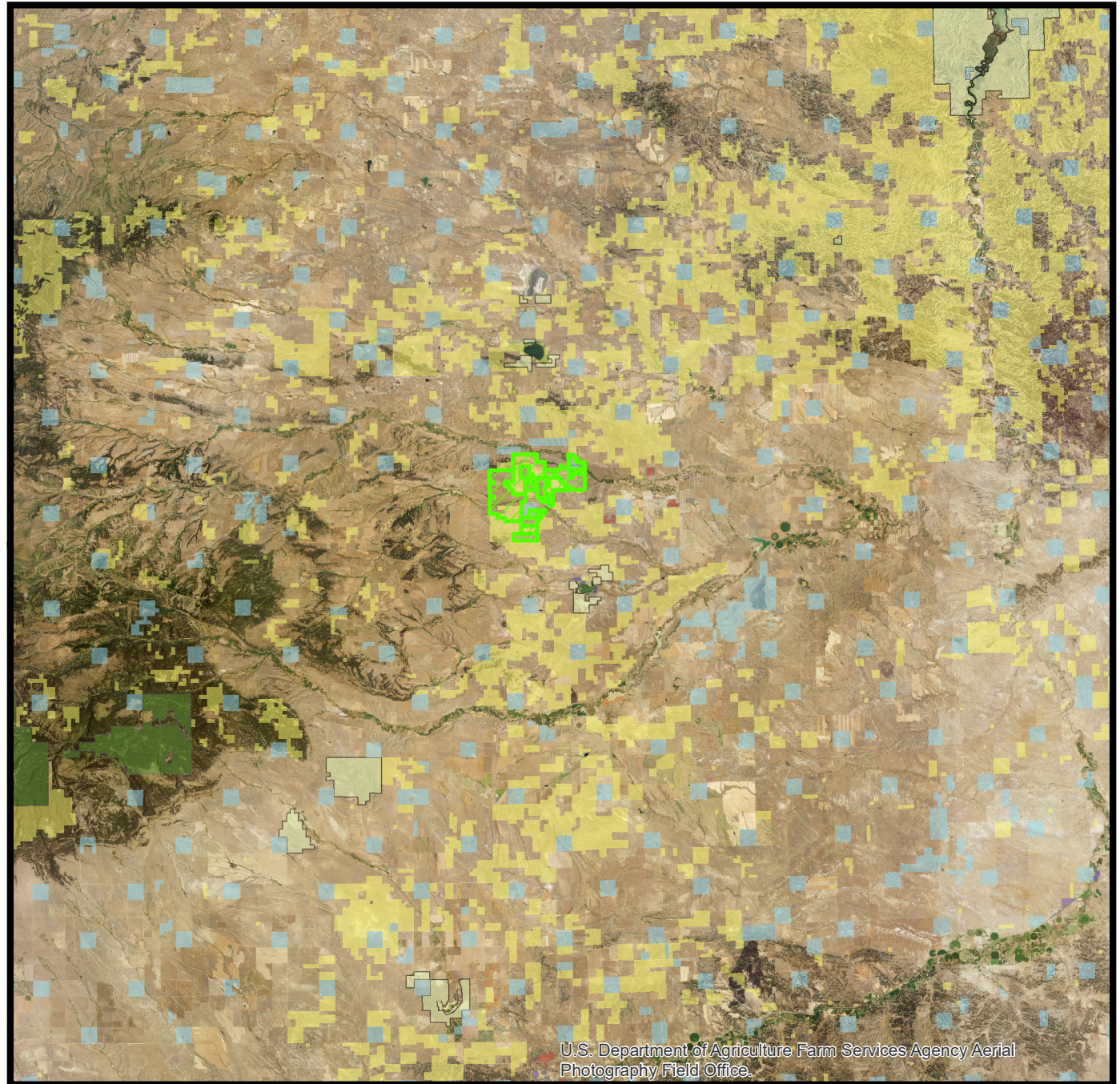
-  **Project Area**
-  **Proposed Project Boundary**
-  **County Government**
-  **US Bureau of Land Management**
-  **US Fish and Wildlife Service**
-  **State of Montana**
-  **Montana State Trust Lands**
-  **US Forest Service**



Project Information:

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Grant Program\Second Cycle 2019\Complete
Applications due May 13\ArcMapFiles

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

0 10 20 Miles













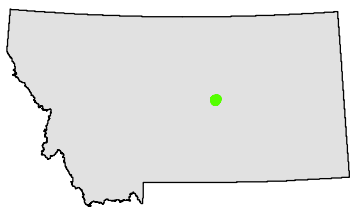
Percentage Conserved Lands within 4 Miles of the Schultz Ranch Conservation Lease and Restoration Project (Petroleum County Conservation District)

Project Information

-  Proposed Project Boundary
-  Direct Project Footprint
-  Proposed Restoration
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

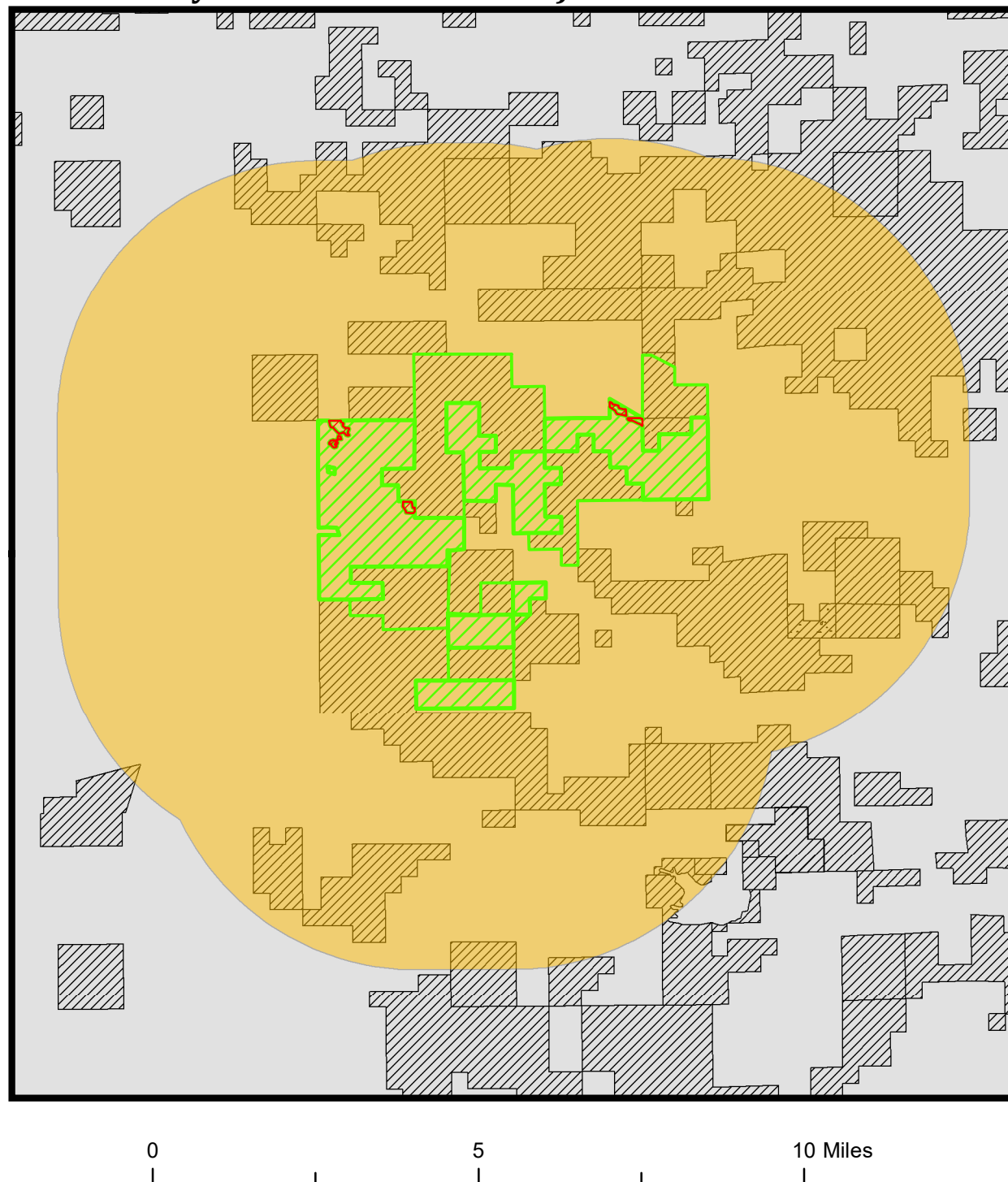


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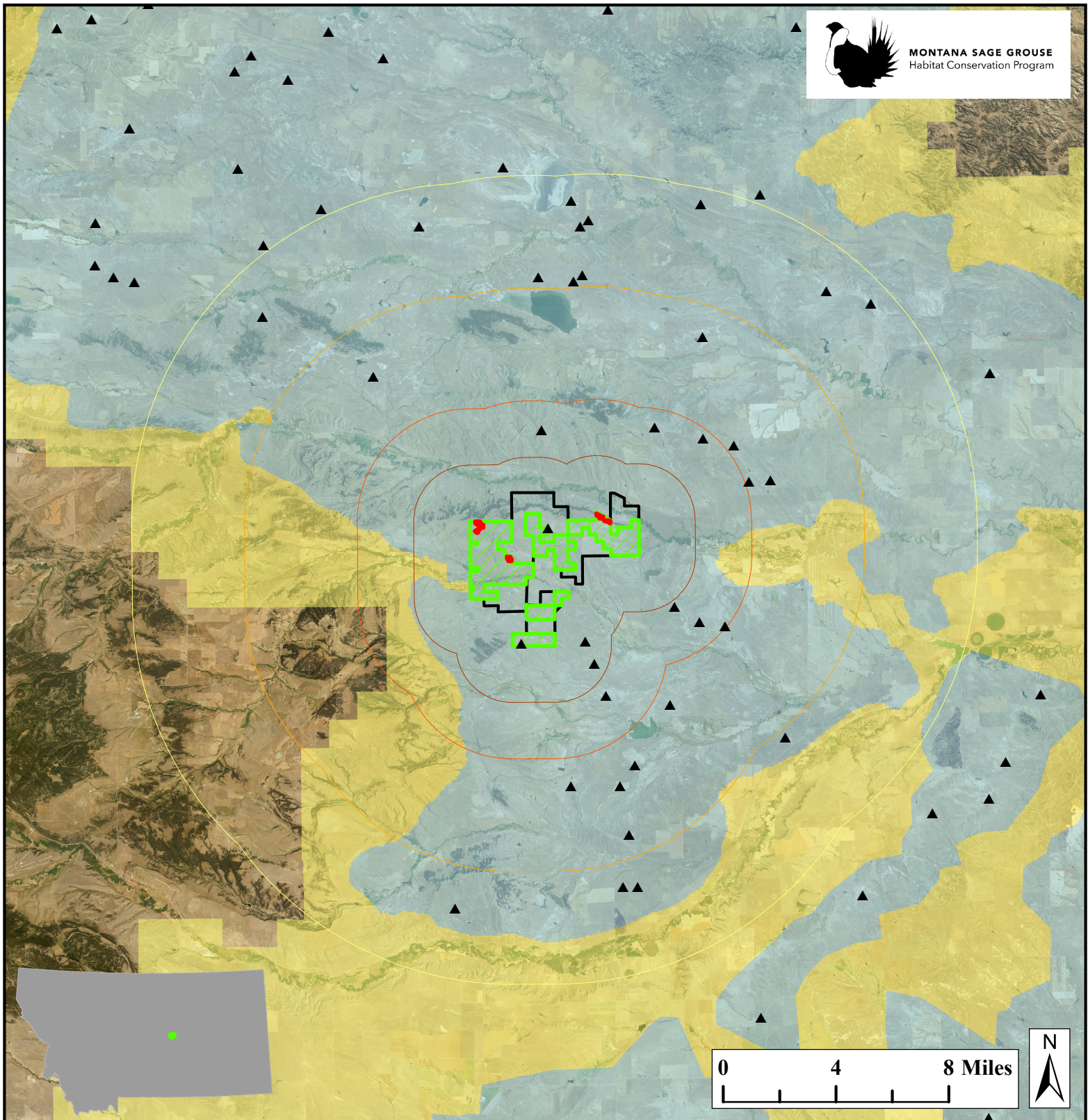
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_Scratch_Folder\4MileConservedLands

Land Management Dataset from: <http://mtnhp.org/stew.asp>









Habitat Preservation and Restoration on Schultz Ranch - Lek Proximity



Project Information:

Map Date: 06 June 2019
 PathFile: G:\CARD\10 Sage Grouse
 HCP\Grant Program\Second Cycle
 2019\Complete Applications due May
 13\ArcMapFiles\ProximityToSGLeks

Service Layer Credits: U.S. Department of Agriculture Farm Services
 Agency Aerial Photography Field Office.

-  Project Footprint
-  Project Restoration
-  Proposed Project Boundary
-  Core Area
-  General Habitat
-  Connectivity Area



- | | | |
|--|------------------|-----------------------------|
|  | 2 Mile Buffer | # Leks Within Buffer |
|  | 4 Mile Buffer | 2 Mile: 4 |
|  | 8 Mile Buffer | 4 Mile: 11 |
|  | 12 Mile Buffer | 8 Mile: 21 |
| | | 12 Mile: 36 |
|  | Sage Grouse Leks | |

Schultz Ranch Conservation Lease and Restoration - Surrounding Existing Disturbance








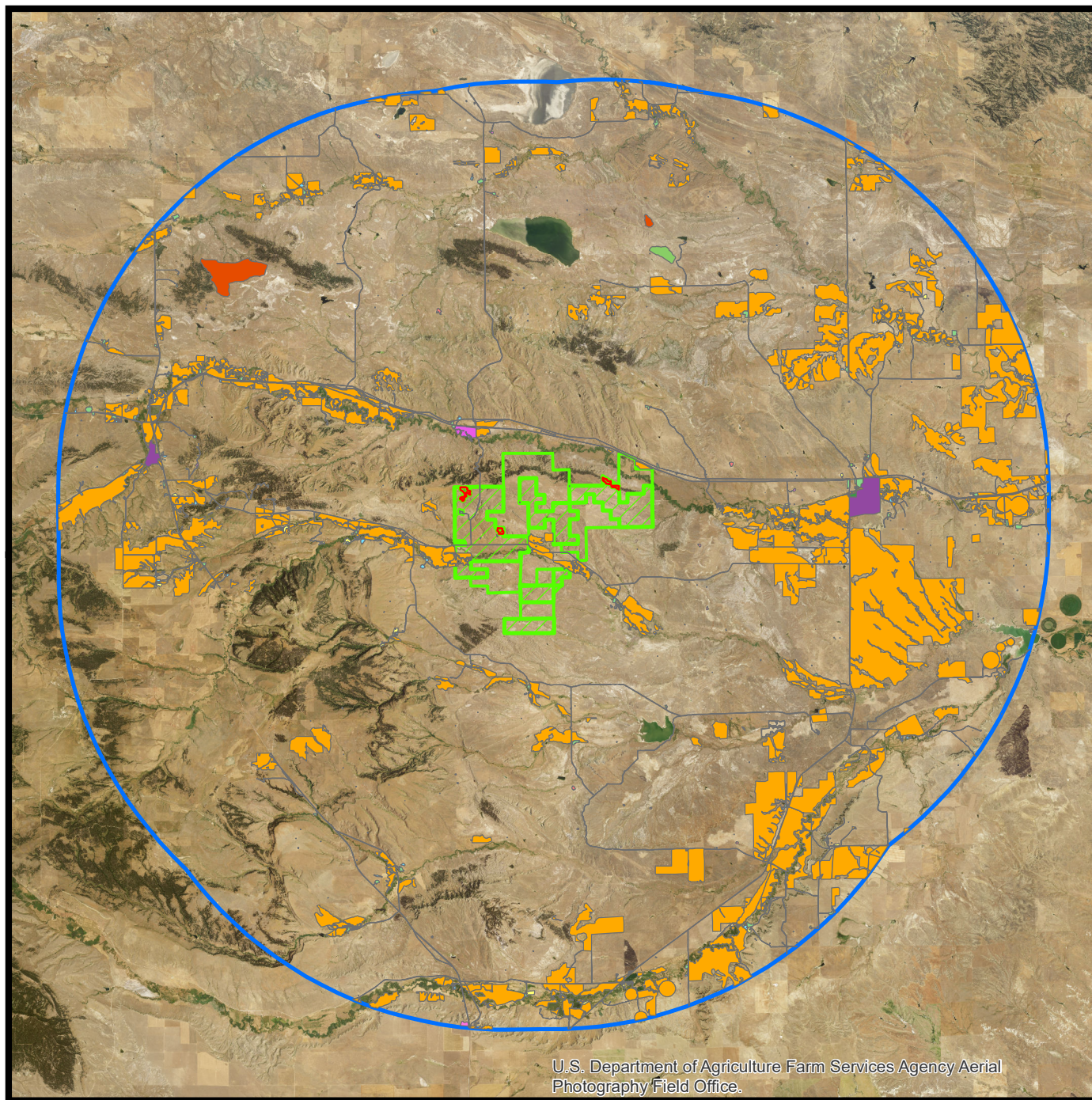
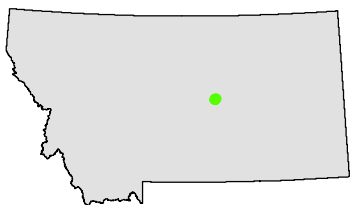
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Proposed Project Boundary
-  Project Area
-  Proposed Restoration
-  12 Mile Buffer

Disturbance Type

-  Building
-  Crop
-  Communication
-  Gravel
-  Road
-  Livestock
-  Other
-  Power Line
-  Stock Pond
-  Storage
-  Subdivision
-  Unknown
-  Urban
-  Well Pad
-  Fire



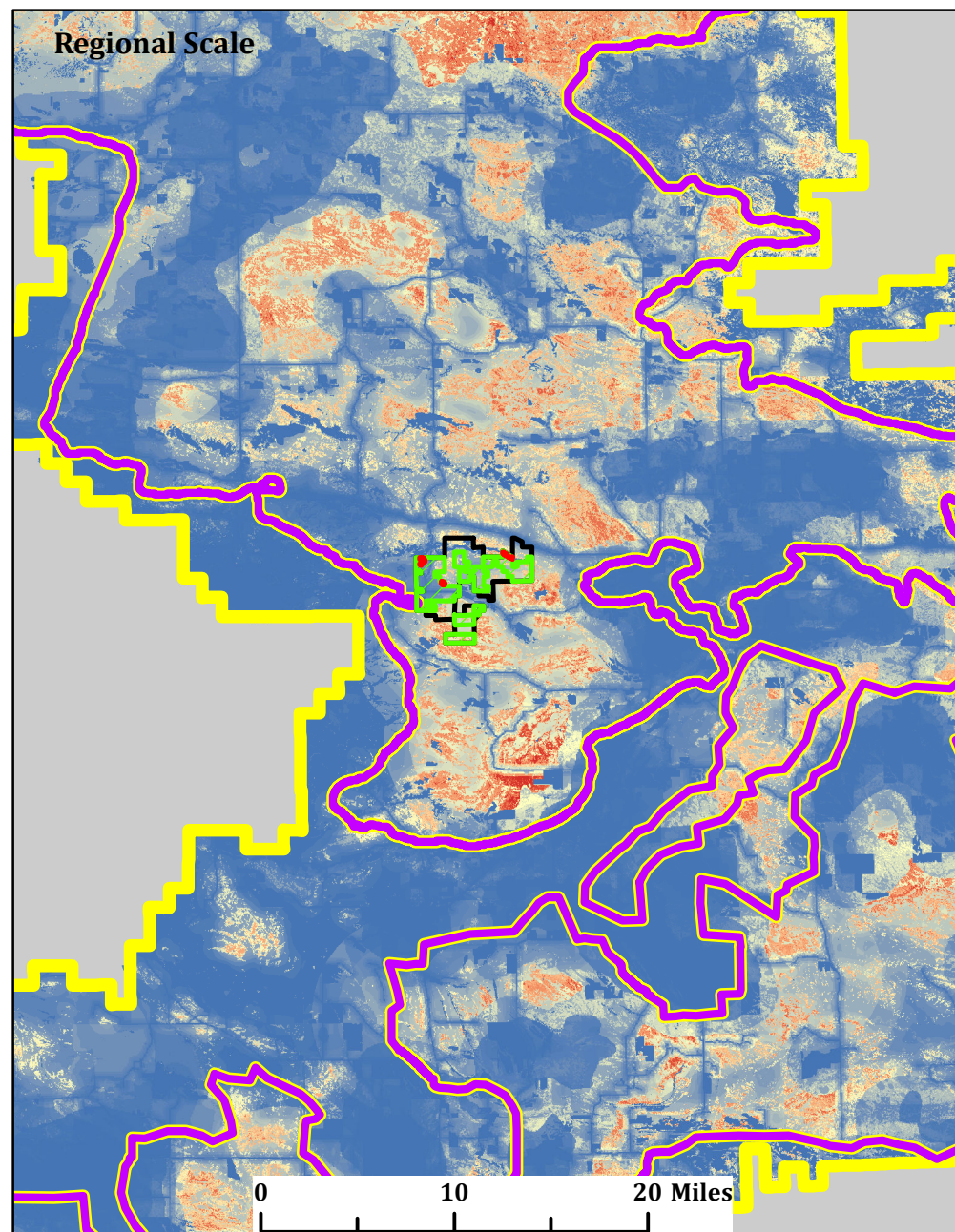
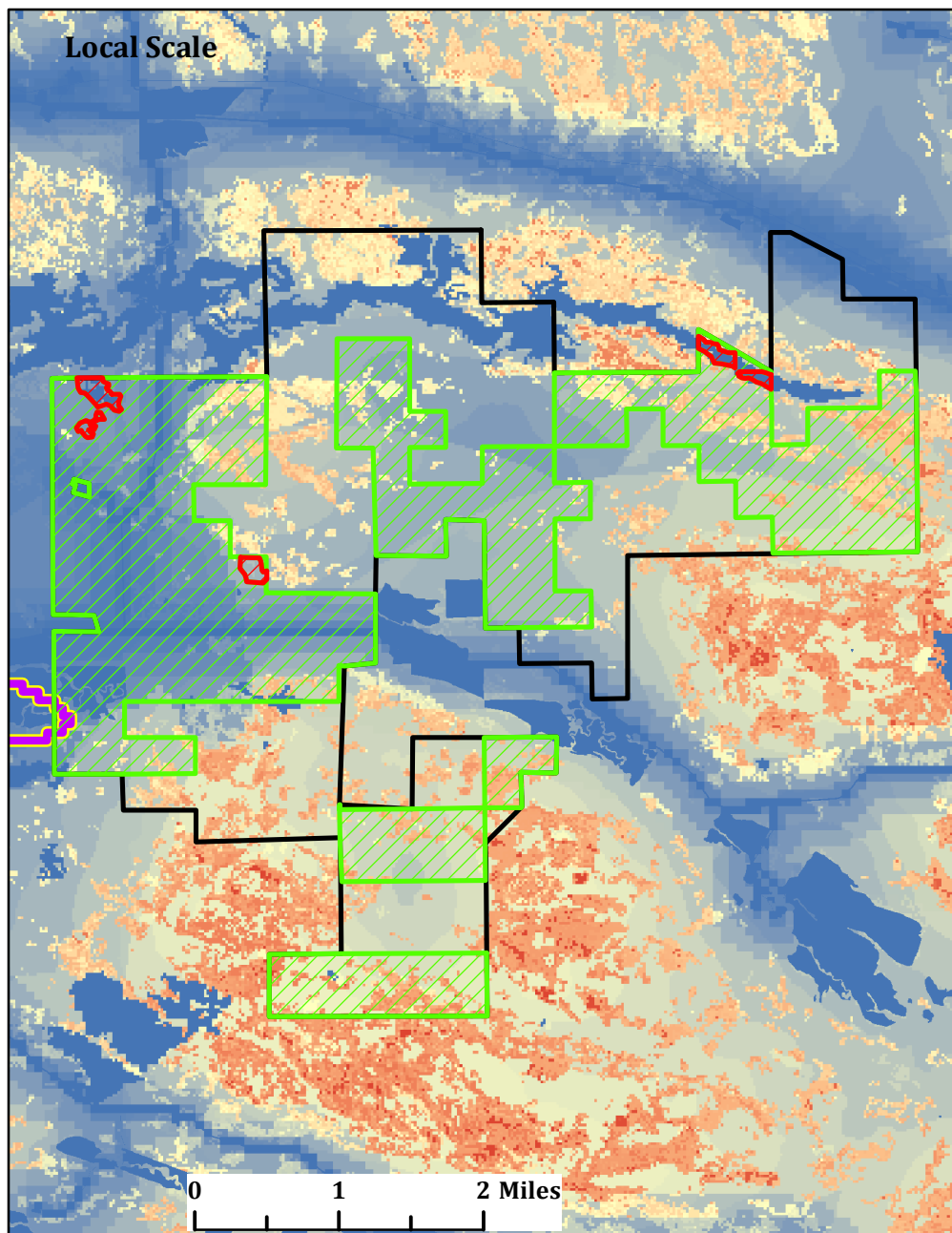
Project Information:

Map Date: 5 June 2019
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Second Cycle 2019\Complete
Applications due May 13\ArcMap_Scratch_Folder

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

0 7.5 15 Miles

HQT Results: Habitat Preservation and Restoration on Schultz Ranch



Project HQT Metadata

HQT Date: 29 May 2019

Years Maintained: 20-25 Years

HQT Pixel Value

High


Low

 Project Direct Impact Footprint

 Project Restoration

 Proposed Project Boundary

 Core Area

 General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information						Raw HQT Score		Applicable Policy			Metrics			
Project Name	Project Type	Service Area	# of Years	Physical Acres	Price per Credit for Lease Duration	1 Year	Total (all years)	# of Credits awarded for newly created Fx-A		Baseline at 40%	Total Credits Available / Generated	Fx-A / PA / Yr	Credits / PA / Yr	Estimated Value of Project for Sage Grouse Habitat Conservation
								Core Area (10%)	General Habitat (5%)					
Petroleum County Conservation District / Schultz Ranch	Preservation (Term)	Central Service Area	25	5,573.93	\$3.25	1,551.80	38,795.10	N/A	N/A	N/A	38,795.10	0.278	0.278	\$126,084.08
	Restoration			72.92		5,202.07	130,051.63	12,920.87	42.15	N/A	143,014.65	0.933	78.453	\$464,797.60
	ALL			5,646.84		6,753.87	168,846.73	12,920.87	42.15	N/A	181,809.75	1.196	1.288	\$590,881.68
Petroleum County Conservation District / Schultz Ranch	Preservation (Term Lease)	Central Service Area	25	5573.93	\$3.25	1,551.80	38,795.10	N/A	N/A	N/A	38,795.10	0.278	0.278	\$126,084.08
	Parcel C - Reseeding		25	15.50	\$3.25	40.50	1,012.53	101.25	0.00	N/A	1,113.78	2.613	2.874	\$3,619.78
	Water Pipeline		25	1.34	\$3.25	99.96	2,498.96	230.74	9.58	N/A	2,739.28	74.596	81.770	\$8,902.67
	Conifer East		25	24.08	\$3.25	3,204.08	80,102.10	8,010.21	0.00	N/A	88,112.31	133.060	146.366	\$286,365.01
	Conifer West		25	31.99	\$3.25	1,857.52	46,438.05	4,578.66	32.57	N/A	51,049.28	58.066	63.832	\$165,910.16
	All Restoration		25	72.92	\$3.25	5,202.07	130,051.63	12,920.87	42.15	N/A	143,014.65	71.342	78.453	\$464,797.60
	Total		25	5646.84	\$3.25	6,753.87	168,846.73	12,920.87	42.15	N/A	181,809.75	1.196	1.288	\$590,881.68

Credit results do not include non-deeded lands withn the perimeter of the project area (i.e. State Trust Lands other, public lands not included). Integrated land management activities across public and private lands will be acknowledged in other ways.

For Price per Credit for Lease Duration, See Table 1 in Application Information and Guidance Document.

Schultz / Gran Prairie Ranches Lease & Restoration Project Analysis				
	Project Area	Buffer Details (Project Boundary for lease + Restoration)	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres - Proposed Project Boundary (Lease Only)	10,568	Total Acres	91,733	442,486
Federal	4,326.67	Core	81,574	306,646
State	621.29	General	916	98,606
Private	5,573.93	Connectivity	0	0
Core Private Acres	5,565.03	Outside Habitat	995	37,230
General Private Acres	8.62	Percent Core	88.93%	69.30%
Connectivity Private Acres	0			
Outside Habitat	0			
Percent Core (Private - Lease Only)	99.84%			
Total Acres Restoration	72			
Core	72			
General	0			
Connectivity	0			
Outside Habitat	0			
Percent Core (Restoration Only)	100%			
FWP Lek Count w/in Proposed Project Boundary (May be other Leks present)	2	FWP Lek Count	11	36
FWP Total Male Count (Most Recent)	41	Total Male Count	212	550
FWP Avg. Male Count	20.5	FWP Avg. Male Count	19	15
Project Cost/Acre (Including Restoration) (25 Years)	\$104.66 (25)			
Reverse Project DDCT (Lease and Restoration)	7.45%			

Analytics calculated and reported separately for the lease and restoration, respectively.

Conservation Status (Project Boundary for lease + Restoration)	Project Area		4 Mile Buffer (%)	12 Mile Buffer (%)	Some Conservation Lands are also Public Lands.
Percent Public (City Govt., County Govt., STL, State of MT, BLM, USFWS)	46.77%		35.73%	30.49%	
Percent Private Conservation	0%		0%	0%	
Percent Managed Areas (BLM, USFWS)	0%		0.28%	1.40%	
Percent Conservation Easement (USFWS, MLR)	0%		0.31%	0.07%	
Total in Conservation	46.77%		36.04%	32.02%	
Not in Conservation	53.23%		63.96%	67.98%	

Lek Vulnerability	Project Area		4 Mile Buffer	12 Mile Buffer
0 - 10%	0		0	3
10.1 - 25%	1		5	9
25.1 - 50%	1		4	13
50.1 - 75%	0		0	0
75.1 - 100%	0		0	0