2020 Cost-Share Proposal Form for NorthWestern Energy (NWE) Project 2188 TAC Funds

Project 2188 (Madison-Missouri River) License Protection, Mitigation and Enhancement (PM&E) projects are required to offset impacts to river resources from the continued operation of one or more of NWE's nine hydro developments (Hebgen, Madison, Hauser, Holter, Black Eagle, Rainbow, Cochrane, Ryan and Morony Dams). PM&E projects need to be prioritized toward in-river or on-the-ground measures that directly benefit fisheries and/or wildlife populations and their habitats:

Priority 1: 2188 License projects which meet License Article requirements and PM&E for fisheries or wildlife populations or their habitats within the main stem Madison River (Hebgen Reservoir to Three Forks) or Missouri River (Hauser Reservoir to Fort Peck Reservoir)

Priority 2: 2188 License projects which meet License Article requirements and PM&E for fisheries or wildlife populations or their habitats in primary tributaries or on adjacent lands and, in doing so, provide PM&E for Madison River (Hebgen Reservoir to Three Forks) or Missouri River (Hauser Reservoir to Fort Peck Reservoir) resources.

Priority 3: 2188 License PM&E projects which meet License Article requirements by providing scientific or other tangible PM&E benefits to Madison-Missouri River fisheries or wildlife populations or their habitats. These projects must be located in the greater Missouri River drainage upstream from Fort Peck Reservoir, but not necessarily located on the main stem Madison River or Missouri River or their adjacent lands or primary tributaries.

All TAC project proposals must include the following information:

Project Title: *Lone Tree Conservation Easement*

Date: *11/9/20*

Explain how this Project addresses a specific Project 2188 License Article(s):

This project would also address Article 423 and would enhance native plant and wildlife populations. The project is located along the Missouri River and would be in a Priority 1 area.

This project involves a 11,285 acre. conservation easement and associated habitat enhancement project. The first phase of this project; the completion of a perpetual conservation easement, was completed in October 2020. The easement is located in the Missouri River Breaks adjacent (~1.5 miles) to the Missouri River. The habitat enhancements associated with this easement include seeding the reseeding of 2,730 acres of cultivated fields back to permanent vegetative cover. Approximately 2,301 of the acres will be reseeded with a native grass seed mix. Additionally, water pipeline development and cross-fencing will be completed to implement a rest-rotation grazing system. These reseeded fields would eventually become part of the managed rest-rotation grazing system after a rest period following successful grass seeding. This project would provide habitat enhancement for local wildlife populations on the easement and surrounding lands, as well as improve water quality and fisheries of the Missouri River.

Provide justification for Priority 1, 2 or 3 (above) that you selected:

This project is located in upland habitat adjacent to the Upper Missouri River corridor. Reestablishment of permanent vegetative cover on this property would benefit both game and nongame wildlife species through the increase in available habitat and security cover. This project is located on a perpetual conservation easement, which would ensure these fields remain in permanent vegetative cover in perpetuity. Based on Natural Heritage Program data there are 20 Species of concern (Table 1) that have been observed on or near this property including Greater sage-grouse and Pallid Sturgeon . This area also provides habitat and recreational opportunities for a variety of other native species including mule deer, elk, bighorn sheep, pronghorn antelope, Greater sage-grouse, sharp-tailed grouse, bobcat, mountain lion, grassland songbirds, small mammals and many other nongame species. Conversion of these agricultural fields would also benefit fisheries populations in the adjacent Missouri River. The project would reduce erosion from cultivated agricultural fields which would reduce sediment levels and turbidity. Conversion of these fields would also reduce the future need for use of fertilizer and agricultural chemicals which would reduce runoff of these chemicals into the Missouri River and improve water quality.

Table 1. Species of Concern Observed in vicinity of the Lone Tree Conservation Easement

Hoary Bat	*Pinyon Jay*
Little Brown Myotis	*Golden eagle*
Spotted Bat	*Greater Short-horned Lizard*
Townsend's Big-eared Bat	*Spiny Softshell*
Bald Eagle	*Blue Sucker*
Brewer's Sparrow	*Paddlefish*
Burrowing Owl	*Pallid Sturgeon-(Endangered)*
Great Blue Heron	*Sauger*
Greater Sage-Grouse	*Burbot*
Loggerhead Shrike	*Sturgeon Chub*
Long-billed Curlew	*Sturgeon Chub*
Veery	*Sicklefin Chub*
Peregrine Falcon	

Project Sponsor (submitted by): *Scott Hemmer, MT FWP Wildlife Biologist*

Location of Proposed Project:

This project is located adjacent to the Upper Missouri River Breaks National Monument in Blaine County approximately 56 miles south of Chinook, MT and 14 miles north of Winifred. The southern edge of the project area is within 1.5 miles of the Missouri River near the Stafford/McClelland Ferry (Figure 1).

Geocode Lat: 47.7817 Lon: -109.4385

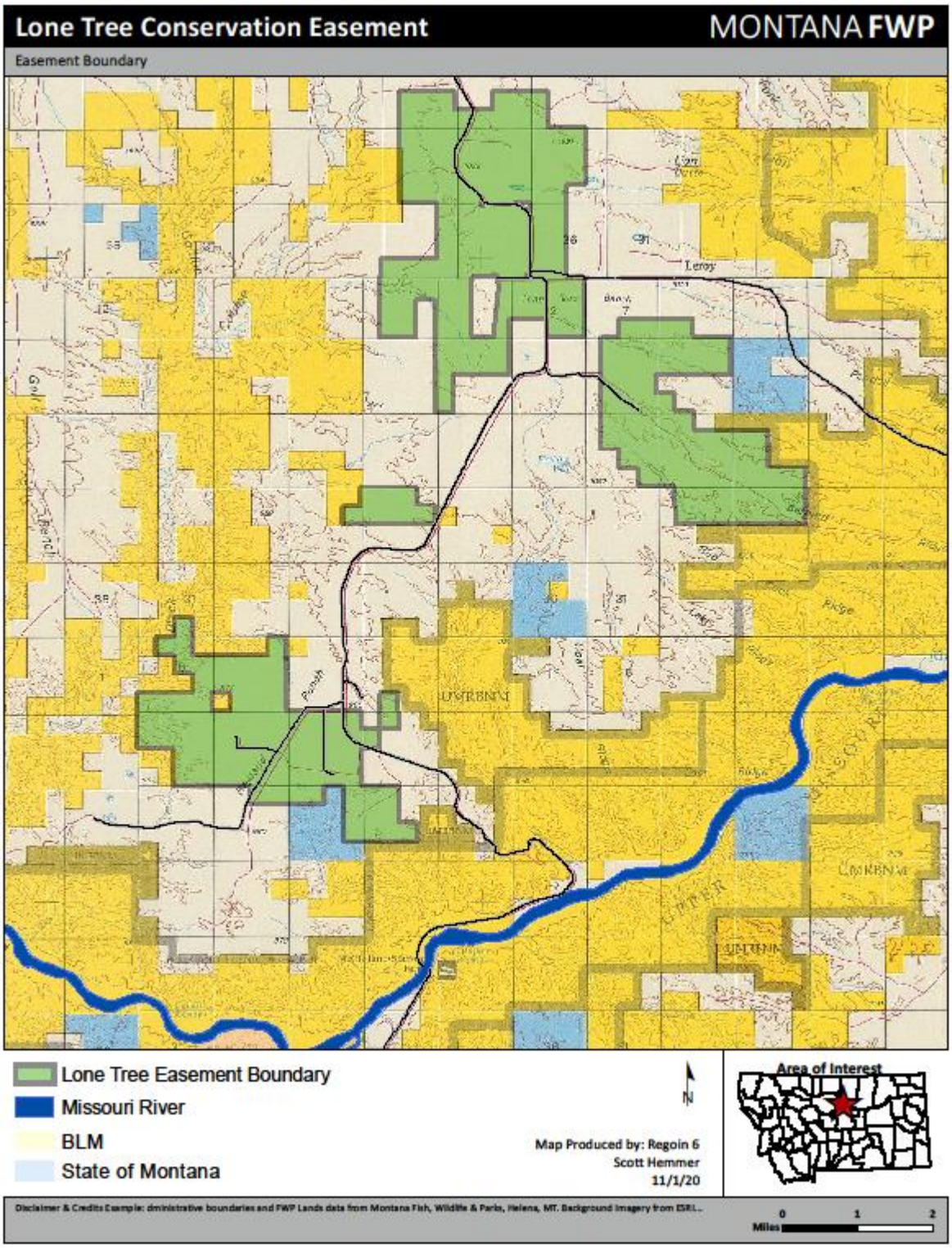

Figure 1. Lone Tree Conservation Easement

Total Project Cost:

$5,427,810

$5,093,680 Easement Cost
$ 282,450 Reseeding Costs
$ 51,680 Grazing System Infrastructure

TAC Funds (Cost-Share) Requested for Project: $80,000

I. Introduction; brief statement of project to be completed with pertinent background information.

Montana Fish, Wildlife, & Parks worked with the Lone Tree Cattle Company to complete a perpetual conservation easement on 11,285 acres of private land adjacent to the Upper Missouri River Breaks National Monument. The easement phase of this project was completed in October of 2020. This property contains a mixture of grassland, shrubland, riparian, and badlands habitats. The CE protects these native habitats from disturbance and prohibits draining of natural wetlands and riparian areas. As part of the management plan for this easement, habitat enhancements are planned to include the reseeding of 2730 acres of cultivated land to grass cover, including 2301 acres that will be seeded back to permanent vegetative cover using a native seed mix (Figure 2). The plan will also involve the implementation of a rest-rotation grazing system on the property that will provide alternating seasons of use and year-long periods of rest. Improvement to the fencing and water development are planned in order to implement the grazing system. This easement also requires free regulated public access for hunting, hiking, wildlife viewing, and other recreational uses. The TAC funding requested in this application would be targeted for native grass reseeding on 1850 acres of cultivated land located along Ragland Bench near the Missouri River using a native seed mix (Figure 3).

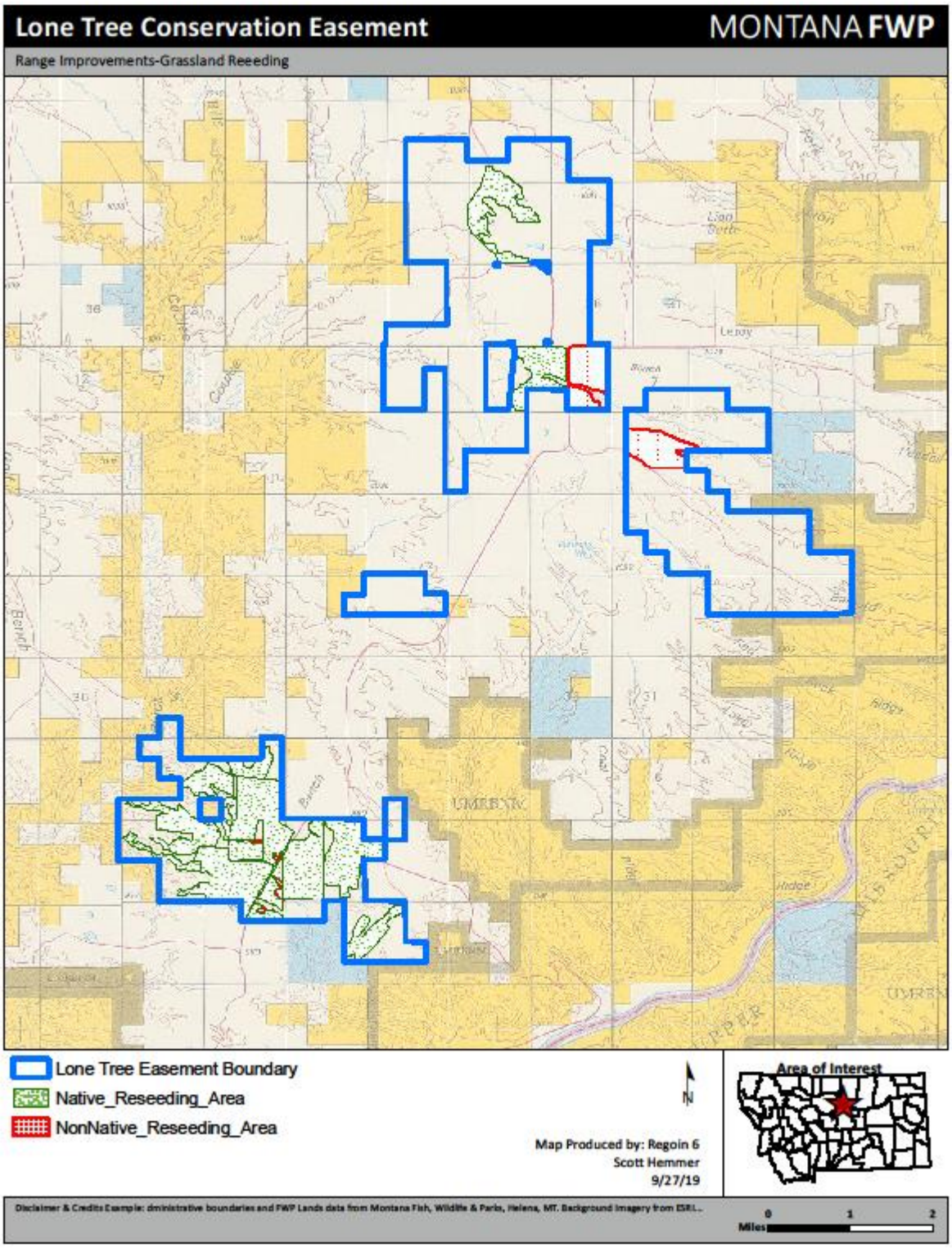

Figure 2. Lone Tree Conservation Easement Reseeding

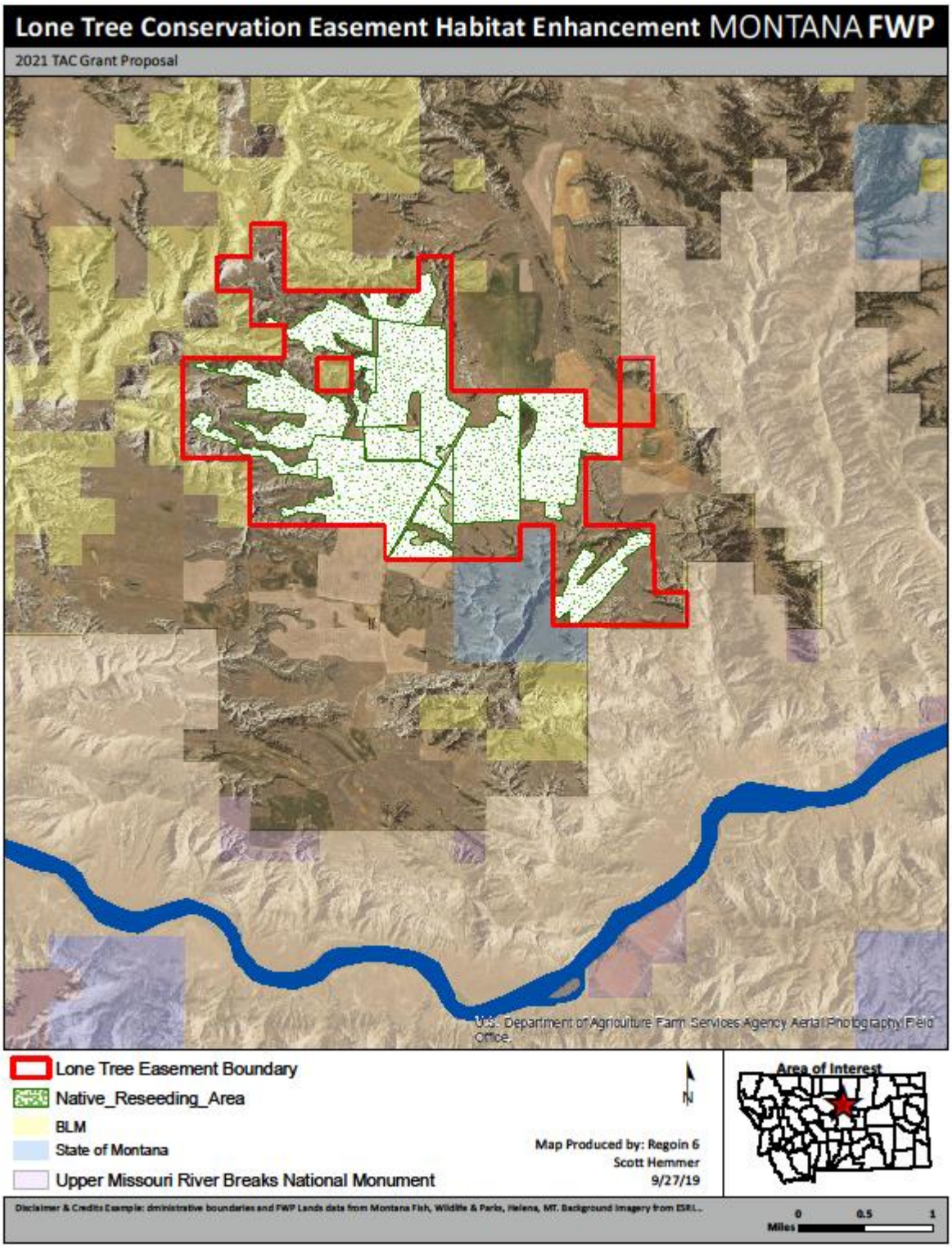

Figure 3. Lone Tree Conservation Easement TAC proposal reseeding.

II. Objectives; explicit statement(s) of what is intended to be accomplished.

The objective of this project is to reseed 2301 acres of previously cultivated agricultural fields to permanent vegetative cover using a predominantly native seed mix on a perpetual conservation easement.

III. Methods; description of how Project objectives will be accomplished.

The perpetual conservation easement was completed in October of 2020. The labor and equipment needed to complete the reseeding will be provided by the landowner. The seeding could begin as soon as Spring 2021. The objective would be to complete the seeding within the next two years, but due to funding and weather limitations the seedings may take up to 5 years to complete. The landowner would prepare the seedbed and treat fields with herbicide prior to planting. Fields would be planted with a no-till air drill with 10-inch spacing. Seeding of the fields could be completed in either the early spring or late fall depending on when soil moisture and field conditions are most likely to result in successful grass establishment. The grass seed mix for the reseeding will consist of at least 3-5 native grass species and at least 1-3 forb species. Maintenance (mowing) and spot weed treatments of the reseeded fields may be necessary after seeding.

IV. Schedule; when the Project work will begin and end.

Seeding of the cultivated fields could begin as early as the spring of 2021. Under the management plan for this easement, the landowners would have 5 years for completion of the reseeding and an additional 2 years after seeding is completed to implement the planned rest-rotation grazing systems. The landowner plans to have all seeding completed within 2 years if weather conditions are favorable and initial seedings are successful.

The preparation of the fields, seeding, and any needed maintenance/weed control of the seeding will be conducted by the landowner. FWP staff will be responsible for approval of the composition of the seed mix and verification/monitoring of the successful completion of the reseeding project.

VI. Project budget must include amounts for the following:

Direct Labor:	*$ 56,903*	*(seeding)*
	$ 9,139	*(herbicide application)*
Travel and Living	*$ 0*	
Materials	*$ 207,090*	*(native seed mix)*
	$ 5,700	*(herbicide)*
Other Direct Expenses	*$ 5,093,680*	*(Cost of easement)*
Direct Overhead	*$ 0*	

All cost-share sources and amounts, including estimation of "in-kind" contributions

Montana FWP (Habitat MT/Sheep License	*$ 5,108,065*
Montana Fish Wildlife Conservation Trust	*$ 75,000*
Landowner (In-kind/materials)	*$ 164,745*
TAC Funding Requested	*$ 80,000*
Rocky Mountain Elk Foundation	*$ Application for Funding*
Mule Deer Foundation	*$ Application for Funding*

VII. Deliverables; describe work product (reports, habitat restoration, etc.) which will result from this Project. How will "success" for this project be monitored or demonstrated?

The success of this project will be measured through the success establishment of permanent grass cover on the reseeded fields. Successful establishment will be determined through evaluation of fields for presence and abundance of native grass species by FWP staff and through photos taken of fields two years post-seeding.

VIII. Cultural Resources. Cultural Resource Management (CRM) requirements for any activity related to this Project must be completed and documented to NWE as a condition of any TAC grant. TAC funds may not be used for any land-disturbing activity, or the modification, renovation, or removal of any buildings or structures until the CRM consultation process has been completed. Agency applicants must submit a copy of the proposed project to a designated Cultural Resource Specialist for their agency. Private

parties or non-governmental organizations are encouraged to submit a copy of their proposed project to a CRM consultant they may have employed. Private parties and non-governmental organizations may also contact the NWE representative for further information or assistance. Applications submitted without this section completed, will be held by the TAC, without any action, until the information has been submitted.

Summarize here how you will complete requirements for Cultural Resource Management:

This project would be occurring in previously cultivated fields and would not result in any disturbance of native or unbroken habitat. If it is determined that a CRM review is necessary, the department would contract the services of a cultural resource specialist to complete this review.

IX. Water Rights. For projects that involve development, restoration or enhancement of wetlands, please describe how the project will comply with the Montana DNRC's "Guidance for Landowners and Practitioners Engaged in Stream and Wetland Restoration Activities", issued by the Water Resources Division on 9March2016.

Summarize here how you will comply with Montana water rights laws, policies and guidelines:

T*his project does not involve the development, restoration or enhancement of wetlands or riparian areas.*

All TAC Project proposals should be 7 pages or less and emailed (as a WORD file) to each of:

- Andrew.Welch@Northwestern.com
- Jon.Hanson@Northwestern.com
- Grant.Grisak@Northwestern.com

Further questions about TAC proposals or Project 2188 license requirements or related issues may be addressed to: Andy Welch, Leader Hydro License Compliance, NorthWestern Energy, 1315 N Last Chance Gulch, Helena, MT 59601; 406-444-8115 (office); 406-565-7549 (cell); Andrew.Welch@northwestern.com.