

Dry Cottonwood Creek Ranch



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Dry Cottonwood Creek Ranch

I. Introduction

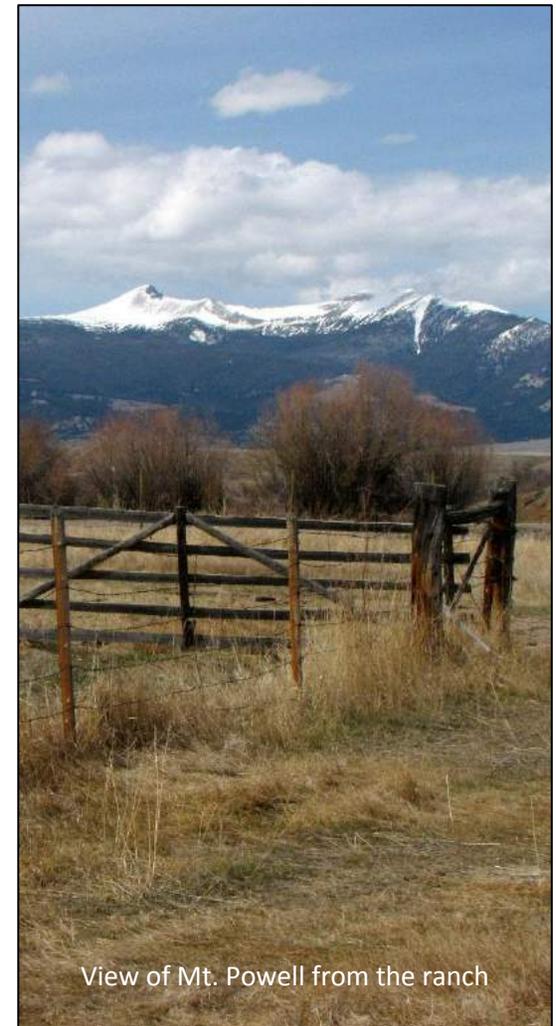
Dry Cottonwood Creek Ranch is a unique offering located on the east side of Montana's Deer Lodge Valley. This working ranch is owned and being sold by the Clark Fork Coalition (CFC), a nonprofit river conservation organization based in Missoula, Montana, that has overseen recent restoration and remediation of a major portion of the river bottom that flows through the property.

The property is a combination of two ranches that had been separated for decades, but were rejoined in 2018, when CFC purchased them both with a grant from the State of Montana Natural Resource Damage Program (NRDP) through its Upper Clark Fork River Basin Terrestrial and Aquatic Restoration Plans. (The sale is being conducted under NRDP oversight.)

The joined property now includes 3,396 acres of deeded land and 15,960 acres of grazing leases, and has outstanding scenic recreational, and agricultural values. The ranch also features working corrals, many miles of wildlife-friendly fencing, and a 3,200-square-foot pole barn and shop building that includes an improved living and office space.

II. Location

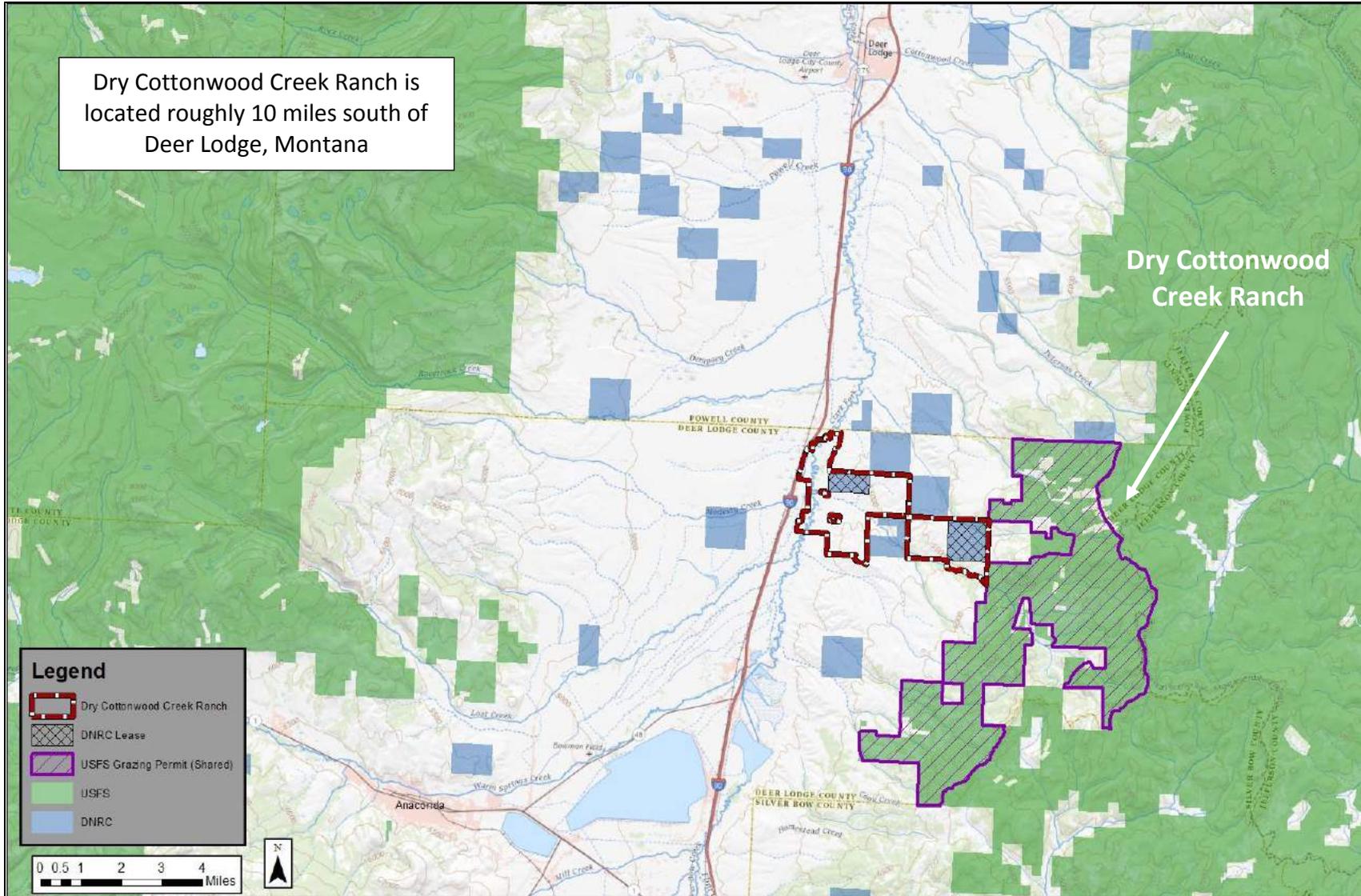
Located roughly ten miles south of Deer Lodge, Montana on the east side of Interstate-90, the ranch is easily accessible from either the Galen or Racetrack exits (see maps below).



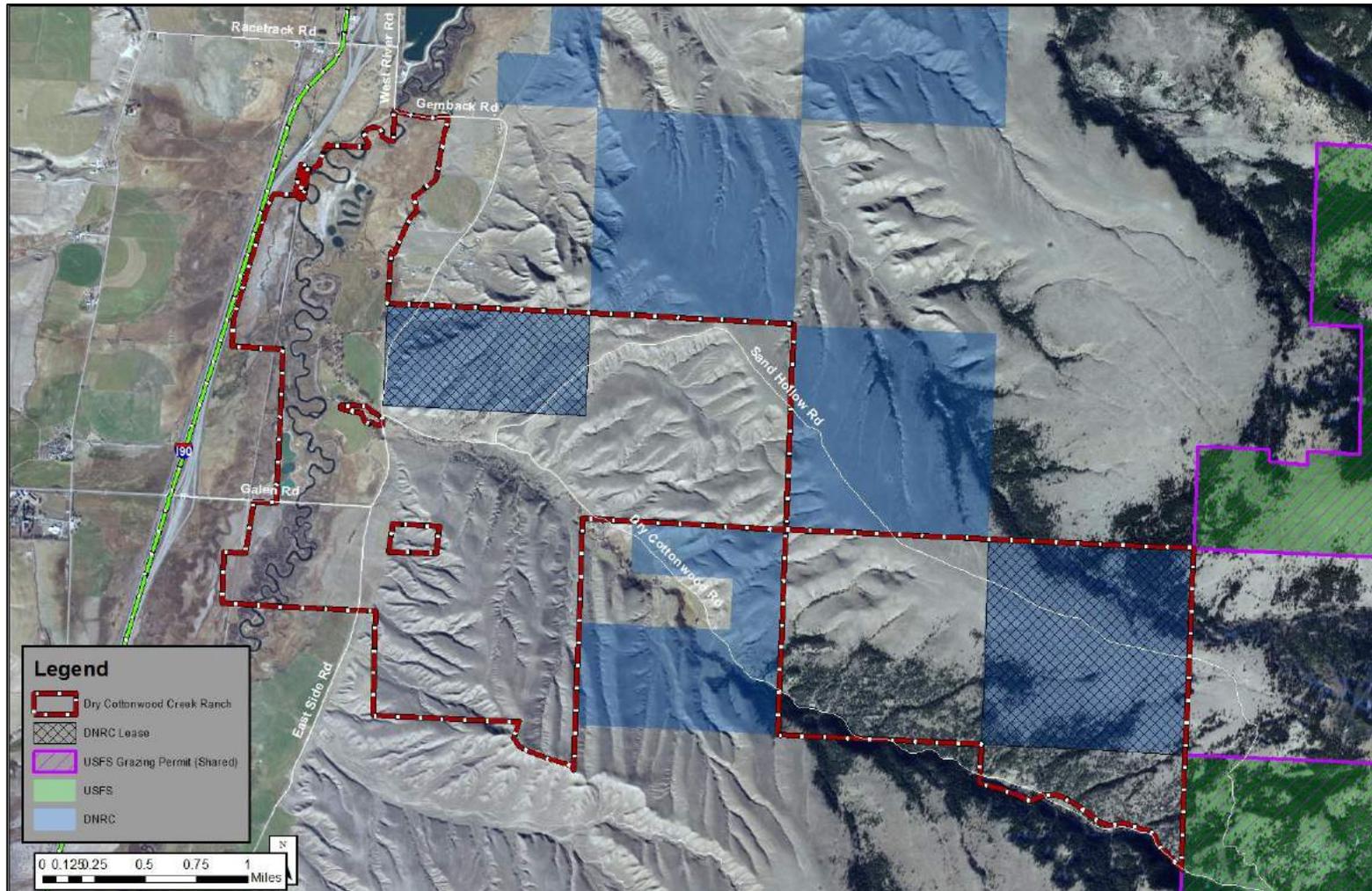
View of Mt. Powell from the ranch

Dry Cottonwood Creek Ranch is located roughly 10 miles south of Deer Lodge, Montana

Dry Cottonwood Creek Ranch



Galen Road crosses roughly through the middle of the ranch. Gemback Road, which connects to Racetrack Road via West River Road, provides access from the northwest corner of the property. Both roads meet Eastside Road, which runs north-south through the property. Sand Hollow/Dry Cottonwood/Forest Service Road #85, which runs through the southeast portion of the ranch, provides access to nearby Beaverhead-Deerlodge National Forest.



III. Acreage and Operations

A. Acreage

The ranch totals roughly 19,356 acres: 3,396 acres deeded, and 15,960 acres in Montana Department of Natural Resources and Conservation (DNRC) and U.S. Forest Service (USFS) grazing leases.

- The 3,396 deeded acres include:
 - 3,133 acres of rangeland
 - 103 acres of sub-irrigated wet meadow pasture
 - 1 acre of improved farmstead
 - 159 acres of irrigated land, including:
 - 75.6 acres irrigated by 3 center pivots installed in 2014, which include 2 buried mainlines, a pump site with 30 HP pump and VFD, and 3-phase power to the pump located below the headgate on Alvi-Beck Ditch
 - 11 acres of flood/handline-irrigated land
 - 72.3 of flood-irrigated wild hay meadows north of Alvi-Beck Ditch

The 86.6 acres under pivot/handline produced a yield of 286 tons of alfalfa hay in 2014, or 3.3 tons per acre. The 72.3 acres of flood-irrigated wild hay meadows produced 105 tons of grass hay in 2014, or 1.5 tons per acre.

- The 15,960 leased acres include:
 - DNRC Lease #5772, which is 960 acres with a capacity of 210 AUMs
 - USFS permit for the Dry Cottonwood Allotment, which is about 15,000 acres with the capacity of approximately 142 cow/calf pairs from June 16 to September 30. This allotment is shared with three other ranches.



B. Operations

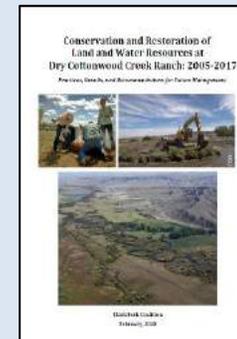
Dry Cottonwood Creek Ranch has been run as a cow/calf operation with red and black angus. It typically has about 135 cow/calf pairs and 6 bulls that primarily use the USFS Allotment during the summer. The upland pastures are leased for summer grazing and support an additional 70 cow/calf pairs and 4 bulls. The suggested stocking rate for the ranch is 150 cow/calf pairs using a rotational grazing system. With proper management, a 200 cow/calf pair stocking rate could be appropriate in the future.

The ranch is enrolled in two Natural Resources Conservation Service (NRCS) Conservation Stewardship Program contracts that together generate nearly \$13,000 per year:

1. A contract running through 2019 for wildlife-friendly fencing and integrated pest management for weeds, and
2. A contract running through 2020 for resting at least 325 acres from grazing from June-October; maintaining ramps in stock water tanks for wildlife to escape; deferring haying for bobolink habitat until July 15 for the wild hay fields; completing written annual grazing plans; maintaining wildlife-friendly fencing improvements; and maintaining alfalfa crops or other cover crops under all 3 pivots.



For more detail about the background and history of changes and improvements made to ranch operations since 2005, when the Clark Fork Coalition first became involved with the ranch, see ***Conservation and Restoration Of Land and Water Resources at Dry Cottonwood Creek Ranch: 2005-2017 - Practices, Results, and Recommendations for Future Management***. This document is available on request.



IV. Water and Water Rights

A. Water for irrigation

The ranch has extensive senior water right claims that provide an ample water supply to meet the irrigation needs across the property. Currently, two main ditch systems service the ranch's irrigated acres:

- 1) the Alvi Beck Ditch from the Clark Fork River (the primary water source for the irrigated acres); and
- 2) Dry Cottonwood Creek, which provides seasonal flood irrigation water

The ranch installed three pivot sprinklers and one handline, run off a single large pump in the Alvi Beck ditch. This has allowed Dry Cottonwood Creek to flow continuously to the Clark Fork River for one to four months each spring, and has added substantial flow to the mainstem river upstream of the ranch.

As of May 2019, the process to legally change these irrigation rights to instream flow is ongoing, and the exact flow rates dedicated to instream flow are subject to change. Up to 2.07 CFS will continue to be available for flood irrigation of both the north and south pivot corners and the 11-acre handline field, as long as the instream right is being met in the creek.

For more information on water management and water right changes made since 2005, see above-referenced report.



Dry Cottonwood Creek

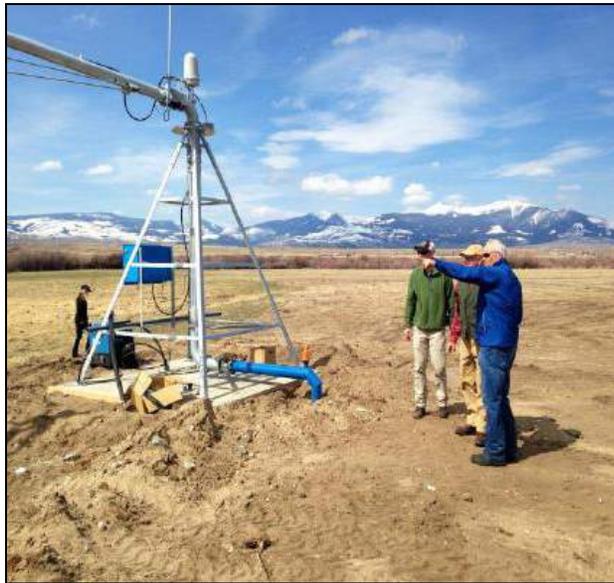
B. Water for livestock

The ranch is also well-watered for livestock. The upland sections (private-deeded and DNRC lease sections) are watered from the Sand Hollow Pipeline, which utilizes a gravity-fed system in the early part of the grazing season, and a solar pump well system in the drier, later part of the season (July - September). The Sand Hollow system includes a total of eight tanks and three spring developments, for a total of 11 stock tanks supplying water for livestock in these upland sections.

The river bottom includes a total of five stock tanks: two on the west side of the river and three on the east side. Four of these tanks have their own well and pump system, while the fifth runs off of the main well that feeds the barn.

Another source of stock water is the Alvi-Beck ditch, which runs year-round and provides water to livestock on the east side of the river.

The following page provides a list of the water rights included in the sale.



Installation of center pivot and pump, 2014

C. Water rights included in the sale

Irrigation Water Rights to be Conveyed

Water Right #	Priority	Source	Max. Flow Rate	Max. Volume	Notes
76G 30103776	6/4/1902	Dry Cottonwood Creek	5.49 CFS	TBD	Flood irrigation. Water right may be restricted based on outcomes of DNRC change process. At a minimum will be limited to 18 acres (pivot corners and hand-line field).
76G 30103778	7/10/1920	Clark Fork River	1.90 CFS of total	121.50 Acre-Feet	Pivots/sprinkler. Buyer's portion of co-owned right.
76G 30103780	7/15/1962	Clark Fork River	3.44 CFS	N/A	Flood irrigation (north wild hay)
76G 30103781	11/13/1891	Clark Fork River	3.98 CFS	N/A	Flood irrigation (north wild hay).
76G 30103782	7/26/1953	Clark Fork River	7.88 CFS	N/A	Flood irrigation (north wild hay)
76G 30103784	12/31/1875	Clark Fork River	0.65 CFS of total	39.20 Acre-Feet	Pivots/Sprinkler. Buyer's portion of co-owned right.

Stock Water Rights to be Conveyed

Water Right #	Priority	Source	Max. Flow Rate	Max. Volume	Notes
76G 30027721	12/31/1900	Sand Hollow	10.00 GPM	3.40 Acre-Feet	Pipeline/Tanks Includes State Trust Lands; Co-owned by DNRC
76G 30071725	11/7/2014	Groundwater	12.00 GPM	2.98 Acre-Feet	
76G 30071727	11/7/2014	Groundwater	7.50 GPM	2.98 Acre-Feet	
76G 40518	6/1/1912	Tributary Of Dry Cottonwood Creek	Direct from Source	N/A	
76G 40519	6/1/1912	Dry Cottonwood Creek	Direct from Source	N/A	Co-owned by H Double C LLC; Could be split
76G 40520	9/1/1960	Groundwater	7.00 GPM	N/A	Incl Domestic Use; Co-owned by CFC
76G 40521	4/1/1958	Groundwater	7.00 GPM	N/A	
76G 65269	3/26/1987	Groundwater	15.00 GPM	5.95 Acre-Feet	Incl Domestic Use; Co-owned by CFC
76G 30063682	7/17/2012	Groundwater	2.00 GPM	0.36 Acre-Feet	
76G 30013936	1/20/2005	Groundwater	Direct from Source	N/A	

V. Improvements

A. Ranch manager living space

Improvements on the ranch are modest, consisting of a 3,200-square-foot pole barn and shop building. In 2009, a simple living space was constructed for a ranch manager by framing out a 12 x 24-foot apartment/office in a corner of the existing pole barn (lovingly referred to as the “Barndominium,” or “Barndo”). In 2012, a 16 x 18-foot bedroom was added. The Barndo has electrical service, is plumbed, and has its own septic system. The pole barn roof was also repaired when the Barndo was built.



Interior of the Barndo living space

B. Other improvements

- As part of the 2009 Barndo construction, improvements were also made to the tack room, including installing dry wall and a concrete slab floor. This improved area measures 11 x 23 feet and has electricity, but no heat.
- The ranch also has a working set of corrals that are next to the pole barn and Barndo.
- Many miles of wildlife-friendly fencing were constructed in 2010 and 2016 to better distribute livestock.
- An off-stream stock water system was installed in 2017, including 8 gravity-fed stock tanks and a well to supplement in drought years.



(NOTE: A house and associated five acres comprised by the property are not included in the sale and are being retained by CFC as a field station for education programs and scientific research.)

VI. Fisheries and Wildlife

The variety of land types on the ranch, from riparian areas and wetlands in the river bottom and creeks, to native intermountain grasslands and conifer forest in the mountain foothills, provide excellent habitat for a rich variety of game and non-game species.

Elk, whitetail deer, mule deer, antelope, and black bear are common, and the occasional moose and mountain lion also spends time on the ranch. The ranch provides important winter range for elk, mule deer, and antelope.

Numerous bird species nest on and make use of the ranch, including songbirds, waterfowl, raptors, and upland game birds. Waterfowl are especially abundant during spring and fall migrations, making use of the river, wetlands, and ponds in the recently-restored floodplain. Tributary and mainstem river restoration efforts are improving a "sleeper" trout fishery featuring brown trout, and, to a lesser extent, rainbow and westslope cutthroat trout.



VII. Conservation Easement

To protect these unique and outstanding wildlife and habitat values, the ranch is protected by conservation easement. The terms and conditions of the conservation easement are:

- Two residences allowed, including the existing Barndo and one additional residence
- Ranch can be split into four parcels
- Grazing is allowed on the uplands, but is not allowed in the riparian areas, except to control noxious weeds
- Existing cropland can continue to be cropped, but conversion of rangelands to croplands is not allowed
- The area along river is open to year-round, daytime, non-motorized access by the public for fishing, hunting, birdwatching, and other recreational activities, as well as for educational and research activities
- Upland areas seasonally open to hunting from September 1 to February 15 for seasons approved by Montana Fish, Wildlife, and Parks (FWP)
- Conservation easement held by Montana Land Reliance and FWP, who hold and manage the public access component



VIII. Mineral Rights

Ownership of minerals rights is unknown, but current owner will convey all mineral rights that they own to buyer.

IX. Remediation and Restoration

The ranch is located in the Deer Lodge Valley in southwest Montana, a few dozen miles north of Anaconda and Butte. Since the mid-1800s these communities were the epicenter of Montana's expansive mining industry, with hundreds of hard rock mines in Butte and a large-scale smelter located in Anaconda. These enterprises greatly affected the river over time, but one of the most significant impacts was from a single, historic flood in 1908, which resulted in hundreds of millions of tons of mine tailings being deposited along 120 miles of floodplain from Butte to Missoula. The resulting contamination persists in many places today, affecting soil quality, water quality, and terrestrial and aquatic habitat.

In 1985, the U.S. Environmental Protection Agency (EPA) declared 120 miles of the Clark Fork River floodplain area a Superfund site, including portions of the floodplain encompassed by the ranch. From 2014 to 2016 state natural resource agencies invested approximately \$15,800,000 in the ranch to complete remediation and restoration of damaged natural resources. As of May 2019, the floodplain between Galen and Gemback roads has been remediated, and work on the floodplain from Galen Road to the south border of the ranch is likely to occur within the next 5-8 years.

As remediation has progressed, CFC has concurrently completed numerous stream and flow restoration projects on tributaries that run through the property to improve water reliability, water quality, fishery conditions, and terrestrial and aquatic habitat. More details and background on these efforts can be found in the *Conservation and Restoration of Land and Water Resources at Dry Cottonwood Creek Ranch* document mentioned above.

X. Asking Price

The asking price is \$2,500,000.



New riparian plants take hold in a remediated section of the Clark Fork River floodplain located on the ranch.

XI. Condition of Sale

The following conditions apply to this sale:

- A buyer's broker commission is not being offered
- Offers that include conservation actions and public access on other lands are encouraged
- Sale to be overseen by the NRDP and the Montana State Land Board
- Sale to be approved by the Board of Directors of CFC
- Livestock and personal property are not included in the offering, but can be purchased through separate negotiations
- Buyer needs to assume and comply with NRCS Conservation Stewardship Program contracts
- Buyer needs to comply with specific designed rest-rotation system on designated portion of the ranch for next three years (approximately 1,000 acres of pasture and grazing lands).



View of the Deer Lodge Valley from above the ranch