
**Upper Clark Fork River Basin Restoration Fund
Quarterly Project and Fiscal Status Report
Second Quarter Fiscal Year 2015
January 2015**

Status of Aquatic and Terrestrial Restoration and Recreation Projects

Group 1 Aquatic Flow Projects (Section 3.2.1)

The 2012 *Restoration Plans* identified nine potential flow augmentation projects as the highest priority for project development and due diligence work by the State and Project Sponsors. Work on these Group 1 projects to date has mainly involved water rights, flow assessment, and coordination tasks needed to determine the likely flow benefits and viability of the projects, and completing the needed contractual agreements with Project Sponsors for this project development work. The NRDP has executed master contracts with the Clark Fork Coalition and Trout Unlimited that cover general flow project management and development tasks on five Group 1 projects: Pauley Ranch, Helen Johnson, Whalen/Westside Ditch, Clark Fork River above Deer Lodge, and Harvey Creek flow improvement projects. The following descriptions provide updates specific to these five projects, all of which have proceeded with the involvement of NRDP. No funding decisions will be made until after the projects have progressed through the Department of Natural Resources and Conservation (DNRC) process.

- **Helen Johnson Ditch:** The Clark Fork Coalition completed the due diligence and flow measurements needed to proceed with the DNRC change authorization process. An application has been submitted and DNRC has responded with a deficiency letter. A response to the deficiency letter has been submitted and DNRC is making its completeness determination.
- **Pauley Ranch:** The Clark Fork Coalition completed the due diligence needed to proceed with the DNRC change authorization process. A pre-application meeting was held with DNRC and the change authorization application is being drafted. The Clark Fork Coalition will submit a change application in early 2015.
- **West Side and Whalen Ditch:** NRDP contracted with an engineer to investigate the potential of purchasing water from the West Side Ditch Company, and possibly the Whalen Ditch owner, by examining the water conservation options for these inefficient ditch systems. The engineer's conclusions are presented in the Draft Preliminary Design Report that is available on the NRDP website. Using the Draft Preliminary Design Report, NRDP and Clark Fork Coalition are working with the ditch owners to assist with infrastructure improvements that will salvage water for instream flow purposes. The West Side Ditch and Whalen Ditch water users have submitted letters expressing their willingness to work with NRDP to combine these ditches into one piped system.

- **Harvey Creek:** Trout Unlimited is evaluating a potential flow acquisition project that would involve the purchase of alternative irrigation equipment to reduce the need for the full water right. Trout Unlimited would like to transfer the water rights to the State, if acceptable, and if an agreement can be reached between Trout Unlimited and the landowner. Trout Unlimited will continue to develop this project with the landowner.
- **Clark Fork Above Deer Lodge:** The Clark Fork Coalition is conducting initial efforts to identify potential flow projects that would augment instream flow in the dewatered sections of the Upper Clark Fork River between Warm Springs and Deer Lodge. Five new potential flow projects have been identified on the mainstem. Landowner meetings, flow monitoring, and water rights due diligence are in progress. Two of the five projects are close to reaching preliminary project terms and letters of intent to proceed.

Work is also occurring to varying degrees on the four other Group 1 flow projects, as well as on basin flow monitoring efforts, as described below:

- **Silver Lake Water System:** NRDP has contacted Butte-Silver Bow (BSB) to gage their willingness to work on a short-time lease to gain a better understanding of how the Silver Lake water could improve the flow in Warm Springs Creek. BSB has not yet responded to NRDP's request.
- **Clark Fork Meadows:** Title and appraisal work on this land acquisition project were completed in spring 2013. Water rights would be transferred to the State, if the land acquisition is approved. NRDP provided the appraisal to the property owner in June 2013. No further work will occur on this project unless the property owner indicates consent to the State's appraised value.
- **Flint Creek and Racetrack Creek:** These two Group 1 flow projects are still at the conceptual, scoping stage.
- **Racetrack Creek:** The Racetrack Water Users Group is evaluating whether it wants to pursue organizing into a legal entity, such as a water district or irrigation association, in order to explore options with NRDP and Clark Fork Coalition for increasing stored water at numerous impoundments in the drainage for instream flow purposes. A separate funded grant project is being implemented that involves a storage water right for Racetrack Lake (see page 11).
- **Flint Creek:** Clark Fork Coalition and NRDP are working with a water user interested in a short-term donated lease near the confluence of Lower Willow Creek and Flint Creek. Water rights research, flow monitoring, and a letter of intent secured from the landowner for a five year donated lease is being completed. A water rights change application is currently being drafted for submittal to DNRC. Clark Fork Coalition and NRDP also contacted Granite Headwaters Watershed Group about potential flow projects that might be worth exploring in the near future. Although, it appears there are no current projects, NRDP will continue to develop projects with this group. A synoptic flow study

of Flint Creek was completed and an additional gaging station was installed to monitor flow within the Flint Creek. Additional project development and outreach is in progress.

- **Flow Monitoring:** NRDP completed a synoptic flow study on Clark Fork River (CFR) mainstem between Warm Springs and Deer Lodge. Six additional continuous flow and temperature monitoring sites were established in 2013 and 2014 in CFR, Racetrack Creek and Warm Springs Creek.

Aquatic Non-Flow Projects: (Section 3.2.2)

Work on the non-flow aquatic projects in priority watershed areas has involved landowner contacts, evaluation of current riparian habitat conditions and fish passage/entrainment problems, prioritization of restoration actions, and the development of restoration project designs in the eight watersheds targeted for work. The assessment efforts are leading to the development and implementation of projects that will protect/enhance riparian habitat, improve fish passage, reduce fish entrainment, and/or improve in-stream habitat. These assessment and project development efforts are, for the most part, being accomplished through contracts and task orders between NRDP and two Project Sponsors, the Watershed Restoration Coalition (WRC) and Trout Unlimited (TU).

Task orders with TU have been executed for project management, fish passage and entrainment assessments, related prioritization of restoration work, and project development/implementation in the Browns Gulch, Blacktail Creek, Little Blackfoot River, Warm Springs Creek, Flint Creek, and Harvey Creek watersheds.

Task orders with the WRC have been executed for project management, riparian and instream habitat assessments, related prioritization tasks, project development/design, and implementation for restoration work being considered in the Browns Gulch, Blacktail Creek, Little Blackfoot River (and tributaries), and Flint Creek watersheds.

Summaries of activities within each of the targeted watersheds are described below.

- **Browns Gulch:** Fish passage, entrainment, riparian assessments, and the prioritization for restoration projects have been completed. Prioritization for riparian habitat enhancement projects identified projects upstream of Hail Columbia Gulch as a higher priority than projects in lower Browns Gulch because of the presence of cutthroat trout residing in this reach. Four projects are being developed on private property where landowners agree to work on enhancing the riparian and instream habitat. Two of the projects include passive restoration, riparian fencing, and placement of pine beetle killed trees along the stream corridor to protect streambanks. The other two projects are addressing streambank erosion and the removal of a culvert.
- **Blacktail Creek:** Fish passage, entrainment, riparian assessments, and the prioritization for restoration projects have been completed. Montana Tech completed the riparian assessment and assisted NRDP, FWP, WRC, and TU with the prioritization of riparian habitat projects, which was completed in spring 2014. Blacktail Creek was split into two

reaches, upstream of the Butte Country Club (BCC) and from the southern border of the BCC to Lexington Avenue. The upper reach has many landowners that WRC and TU have been working with to develop projects. Two fish passage projects are being developed (Redferns and Butte Silver Bow) and contracts will be used to complete these projects in 2015. Beaver habitat issues are also being investigated in the upstream reach along with riparian habitat preservation and enhancement projects. Due to the large number of landowners developing, integrating, and coordinating projects, the process is time consuming and difficult. Through and downstream of the BCC property, work has been completed on a conceptual design report to address riparian habitat condition, streambank erosion, and instream habitat issues to improve native trout habitat. The conceptual design report proposes construction of a new floodplain and channel, development of wetlands, removal of abandoned road grades, and revegetation. A final design is planned to be completed spring/summer 2015 with construction proposed for fall 2015. This lower Blacktail Creek project is being integrated with the Butte Natural Resources Council work on Blacktail Creek.

- **SBC/German Gulch:** DEQ's 2013 remedial bid package for the last three miles of Silver Bow Creek along Durrant Canyon covered the removal of about 25,000 cubic yards of streamside tailings from lower German Gulch. DEQ's 2013 bid package also includes a concrete fish barrier to be constructed on Silver Bow Creek approximately one mile upstream of Fairmont Bridge. The purpose of the barrier is to eliminate migration of rainbow and brown trout into upper Silver Bow Creek allowing the native westslope cutthroat trout, coming primarily from German Gulch, to persist upstream of the barrier without risks of hybridization and competition from the mentioned species, respectively. Both projects were completed in 2014.
- **Warm Springs Creek:** Fish passage and entrainment assessments and draft prioritization for fish passage and entrainment projects have been completed. Based on review of existing information, a riparian assessment is not needed. Prioritization of restoration actions is to be completed in early 2015.
- **Cottonwood Creek:** The WRC and NRDP hired an engineer to finalize the engineering design work for the Kohrs Manning Ditch in the Cottonwood watershed. Ditch owners are currently reviewing the design. Project design is scheduled to be completed in 2015, with construction proposed for late 2015.
- **Little Blackfoot River Watershed:** Fish passage, entrainment, riparian assessments, and the prioritization for fish passage and entrainment projects have been completed. NRDP and WRC selected a contractor to complete the riparian assessment in spring 2014. Prioritization of restoration actions identified projects on Spotted Dog Creek and Snowshoe Creek as the highest priorities. In addition, work on larger reaches of the mainstem of the Little Blackfoot River where landowner cooperation has been obtained is being pursued as well. WRC and TU continue to engage with landowners within the priority areas of the Little Blackfoot River watershed to promote potential projects.

- **Flint Creek Watershed:** Fish passage, entrainment, and riparian assessments have been completed. Selection of a contractor to complete the riparian assessment occurred spring 2014 and the riparian assessment fieldwork was completed by fall 2014. Prioritization of restoration actions is to be completed early 2015 with project development to follow.
- **Harvey Creek:** Task orders executed with TU for the Harvey Creek watershed involve installation of riparian fencing (completed October 2013), the design and installation of a fish screen (completed fall 2014). In addition, TU has additional riparian fencing planned for another mile of stream and completed the assessment of a culvert and fish barrier that appears to be failing. TU is also working with landowners to address entrainment issues in several diversions along Harvey Creek.

NRDP developed monitoring and maintenance task orders for work at the Milltown site (Section 3.2.2.1), including vegetation monitoring and annual maintenance, weed control, and completion of the Federal Emergency Management Agency (FEMA) floodplain mapping that involves a 50% cost-share with the Environmental Protection Agency. A vegetation pilot test was started in summer 2013 to evaluate treatments to enhance vegetation establishment on a section of the restored floodplain.

NRDP contracted with GEUM Environmental Consulting for the development of a Watershed and Basin Monitoring and Maintenance Plan (Section 3.2.3). This plan is being coordinated with project implementers, as well as resource managers, to guide maintenance and monitoring of aquatic resources at the project, watershed, and basin level. This plan will gauge the effectiveness of funded activities in meeting the aquatic restoration goals set forth in the *2012 Restoration Plans*. This document is available on the NRDP website.

Mainstem Clark Fork River - Flint Creek to Rock Creek (Section 3.2.2.1) – Fish Population Evaluation and Follow-up Actions: NRDP and FWP contracted with Respec, Inc. to complete a literature review of the information that is available to determine the reason for the low trout densities in this reach of the Clark Fork River. The initial literature review is complete and the State is assessing what additional research is necessary to determine the best actions to implement to address the low trout densities.

Terrestrial Projects: (Section 4.0)

Work in FY14/15 has involved land transaction research and development along with due diligence steps on two acquisition projects that were funded either entirely with terrestrial priority funds (the Garrity property) or through a combination of terrestrial and aquatic priority funds (the Confluence property):

- 1) **Confluence property:** This project involved the State's contribution of partial funding (\$400,000 or 25%) for acquisition of a 202 acre property located near the confluence of Rock Creek and the Clark Fork River. In June 2013, NRDP issued its funding recommendation document on this project for public comment. Following public comment and a favorable funding recommendation from the Advisory Council and Trustee Restoration Council, the Governor approved the project for funding in November

2013, subject to several funding conditions. NRDP finalized the purchase with the Five Valleys Land Trust in May 2014.

- 2) **Garrity Mountain Addition property near Anaconda:** This project involved the State's contribution of partial funding (\$1.28 million or 93%) for acquisition of a 640 acre property located a few miles west of Anaconda and adjacent to the Garrity Mountain Wildlife Management Area. In May 2014, NRDP issued its funding recommendation document on this project for public comment. Following public comment and a favorable funding recommendation from the Advisory Council and Trustee Restoration Council, the Governor approved the project for funding in October 2014. NRDP, in coordination with FWP and The Conservation Fund, finalized the purchase in November 2014.
- 3) **Harris Property near Milltown:** In 2013, NRDP completed needed title work and appraisal work on this 160 acre property located east of and adjacent to the Milltown properties conveyed by NorthWestern Corporation to the State in 2010. The appraisal was reviewed by the landowner. The entity holding a first right of refusal option to purchase the property has decided to execute their option to acquire the property. NRDP entered into an agreement with the new landowner to protect the restoration investment made at Milltown.
- 4) **Clark Fork Meadows property near Galen:** See update on p. 4 under flow projects.

NRDP is also working with Five Valleys Land Trust and FWP on other potential land acquisition prospects included in the *2012 Restoration Plans*, although this work is more at the conceptual planning stage and has not involved any due diligence tasks, such as title and appraisal work. NRDP and FWP are also working to address the terrestrial land abstracts and habitat projects included for funding consideration in the *2012 Restoration Plans* for which work has yet to be initiated.

Three terrestrial monitoring projects that were covered in the *2012 Restoration Plans* (Section 4.2.6) are underway or completed:

- 1) **Bird Monitoring:** The Avian Science Center completed its report on the results of bird monitoring at several FWP Wildlife Management Areas in the UCFRB conducted during spring 2013. This effort focused on the Spotted Dog Wildlife Management Area, where a baseline of bird utilization was established before FWP began managing grazing intensity.
- 2) **Beaver Habitat Mapping:** In July 2013, the NRDP executed a contract with a consulting ecologist to develop a watershed-scale analysis of beaver habitat suitability and identify passive restoration and non-lethal beaver management opportunities to facilitate stream restoration in the UCFRB. Results are expected in late 2014.
- 3) **Flint Creek Mercury Study:** NRDP worked with the Granite Headwaters Watershed Group to develop a scope of work and budget for the coordination of a study on the

nature, extent, and impacts of mercury contamination in Flint Creek, to be completed in late 2014 and 2015. The Watershed Group's watershed coordinator first task will be to compile available information before further planning this study. In consultation with the Watershed Group, the NRDP contracted with the University of Montana for some limited sediment sampling and mercury analyses in the Flint Creek Watershed that was conducted in December 2013.

Recreation Projects: (Section 5.0)

NRDP has been working with Project Sponsors on needed project development and due diligence tasks on the six recreation projects included in the *2012 Restoration Plans*. These projects are funded with the proportionate allocations of aquatic and terrestrial priority funds identified in the *2012 Restoration Plans*.

- 1) **Drummond Kiwanis Riverside Park:** Following public comment and a favorable funding recommendation from the Advisory Council and Trustee Restoration Council, the Governor approved the project for funding in November 2013, subject to several funding conditions. The land acquisition is expected to be completed by December 2014. Improvements to the site should begin in spring 2015 with the trail opening expected in summer 2015.
- 2) **Deer Lodge Trestle Park:** NRDP and Powell County finalized a phased contract that has enabled the County to conduct some initial outreach and design tasks. Remedial investigation work being conducted by DEQ at the former CMC roundhouse is expected to be completed in early 2015, after which the project can go forward.
- 3) **Washoe/Hafner Dam Parks:** NRDP and Anaconda Deer Lodge County (ADLC) executed a contract in December 2013 for the 2nd phase of work that mainly entails project management, engineering, and design work for recreational improvements based on Phase I 2013 LIDAR results and Phase III implementation. ADLC has issued a bid package and performed preliminary work on the site in Fall 2014 with full construction slated to begin spring 2015.
- 4) **Milltown State Park:** FWP and NRDP signed a memorandum of agreement for the Milltown State Park project work covered in the *2012 Restoration Plans*. Most of the recreational trail and access feature development work at the Park conducted in 2013 is being done pursuant to the 2009 Milltown State Park grant. FWP produced an Environmental Assessment for the development of the Gateway and Confluence Areas of the Milltown State Park, which will enable FWP to proceed with construction in 2014. FWP and Missoula County are working together to gain the needed access to the Confluence Area. This access is needed to develop the amenities planned for the Confluence area of the Park. FWP is also developing a plan to establish trails on the south side of the river upstream of the former dam site. The trails on the south side will provide public access to the former reservoir area.

- 5) **Bonner Dam Removal:** NRDP set up an interagency agreement with DNRC to remove the remains of the Stimson Dam on the Blackfoot River in fall 2013 and spring 2014. DNRC combined the Stimson Dam removal work with the remaining funds from the 2009 grant project to remove bridge piers, logs, and debris that are creating a hazard to river recreationalists along the Blackfoot River between the Weigh Station Fish Access Site and the Pedestrian Bridge (see p. 10). This work was completed in January 2014.

- 6) **Clark Fork River Fishing Access Sites:** FWP and NRDP are working on a memorandum of agreement for FWP to begin the scoping process on certain Upper Clark Fork River department-owned properties, which are currently undeveloped fishing access sites, to determine the feasibility of developing the fishing access sites to include improvements, such as boat launches, latrines, and designated parking. FWP plans on contracting with private engineers for the development, design, and construction of two to three fishing access sites a year located in the Upper Clark Fork River. Other state agencies owning key river parcels will also be contacted to inquire of their interest in partnering. One or two private owners may also be contacted to see if they are interested in selling small parcels to FWP to develop into fishing access sites.