

## State Board of Land Commissioners Open Meeting Checklist

Meeting Date: August 18, 2020

### Regular Meetings

8/10/2020	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) or more calendar days before meeting.
8/10/2020	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) or more calendar days before meeting.
8/10/2020	Notice of Meeting posted in prominent place at meeting location five (5) or more calendar days before meeting.
8/10/2020	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) or more calendar days before meeting.
8/10/2020	Notice of Meeting posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> five (5) or more calendar days before meeting.
8/12/2020	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
8/12/2020	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
8/12/2020	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
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8/12/2020	Agenda posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> forty-eight (48) hours before meeting.
12/9/2019	Land Board annual meeting schedule posted – Boise Director's office, Coeur d'Alene staff office, and IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a>

### Special Meetings

	Notice of Meeting and Agenda posted in a prominent place in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Notice of Meeting or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

### Executive Sessions *(If only an Executive Session will be held)*

	Notice of Meeting and Agenda posted in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.

*Renee Jacobsen*

Recording Secretary

August 12, 2020

Date



## Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board  
Lawrence E. Denney, Secretary of State  
Lawrence G. Wasden, Attorney General  
Brandon D Woolf, State Controller  
Sherri Ybarra, Superintendent of Public Instruction  
Dustin T. Miller, Secretary to the Board

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# NOTICE OF PUBLIC MEETING AUGUST 2020

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, August 18, 2020 in the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W Jefferson St., Boise. The meeting is scheduled to begin at 9:00 AM (Mountain).

This meeting is open to the public.

Meeting will be streamed live at <https://www.idahoptv.org/shows/idahoinsession/ww02/>

All in-person attendees must comply with current COVID-19 safety protocols for public gatherings in the City of Boise, including but not limited to wearing face coverings and observing physical distancing. Physical distancing measures reduce the meeting room's normal attendance capacity.<sup>1</sup>

Members of the public may attend the meeting via teleconference, using the following:

Dial toll-free: 1-877-820-7831

Enter passcode: 1229370, followed by (#) key

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<sup>1</sup> <https://rebound.idaho.gov/stages-of-reopening/>  
<https://www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/>  
<https://www.cdhd.idaho.gov/pdfs/cd/Coronavirus/Order/>

First Notice Posted: 8/10/2020-IDL Boise; 8/10/2020-IDL CDA

This notice is published pursuant to § 74-204 Idaho Code. For additional information regarding Idaho's Open Meeting law, please see Idaho Code §§ 74-201 through 74-208.



## Idaho State Board of Land Commissioners

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### State Board of Land Commissioners Regular Meeting

August 18, 2020 – 9:00 AM (MT)

Final Agenda

Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho

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*Please note meeting location.*

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#### 1. Department Report – Presented by Dustin Miller, Director

##### Trust Land Revenue

- A. Timber Sales – July 2020
- B. Leases and Permits – July 2020

##### Status Updates

- C. Fire Season Report
- D. Land Revenue Forecast

#### Consent—Action Item(s)

#### 2. Strategic Plan FY2021-FY2024 – Presented by Dustin Miller, Director

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<sup>1</sup> <https://rebound.idaho.gov/stages-of-reopening/>  
<https://www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/>  
<https://www.cdhd.idaho.gov/dac-coronavirus>

3. **Bennett Surplus Property (Idaho Fish & Game)** – Presented by Josh Purkiss, Program Manager-Real Estate
4. **Jerome Surplus Property (Idaho Military Division)** – Presented by Josh Purkiss, Program Manager-Real Estate
5. **Approval of Draft Minutes** – July 21, 2020 Regular Meeting (Boise)

### **Regular—Action Item(s)**

6. **Endowment Fund Investment Board Report** – Presented by Chris Anton, EFIB Manager of Investments
  - A. Manager's Report
  - B. Investment Report
  - C. FY2022 Distributions and Transfers
7. **FY2022 Budget Enhancements** – Presented by Debbie Buck, Financial Officer

### **Information**

8. **Resource Protection and Assistance Bureau Update** – Presented by Mick Thomas, Division Administrator-Minerals, Public Trust, Oil & Gas
9. **Proposed Rules—Omnibus Fee Rulemaking** – Presented by Scott Phillips, Policy and Communication Chief

### **Executive Session**

None



# Idaho Statutes

TITLE 74  
TRANSPARENT AND ETHICAL GOVERNMENT  
CHAPTER 2  
OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS – WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1)(a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

## STATE BOARD OF LAND COMMISSIONERS

August 18, 2020  
Trust Land Revenue

### Timber Sales

During July 2020, the Department of Lands sold three endowment timber sales at auction. The endowment net sale value represents a 26.2% up bid over the advertised value. The Caribou Conks Pulp sale did not sell at auction. The sale has been reappraised and will be offered for auction at a later date.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlogs MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Dickensheet South	PL	2,900			\$ 597,272.50	\$ 822,925.00	\$283.77	IFG Timber LLC
Steep Shady Cedar	POL	2,030			\$ 429,135.00	\$ 658,647.00	\$324.46	Alta Forest Products LLC
Shiloh View	POL	4,515			\$ 712,973.00	\$ 712,973.00	\$157.91	IFG Timber LLC
<b>Endowment</b>		<b>9,445</b>	<b>0</b>	<b>0</b>	<b>\$ 1,739,380.50</b>	<b>\$ 2,194,545.00</b>	<b>\$232.35</b>	

PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
<b>North Operations</b>				
Thin Lamb GNA	7,220	\$ 396,850	IPNF	8/13/2020
Jacksons Ally	8,200	\$ 1,326,147	POND	8/11/2020
	<b>15,420</b>	<b>\$ 1,722,996</b>		
<b>South Operations</b>				
Eagle Salvage	985	\$ 118,294	PAY	8/10/2020
	<b>985</b>	<b>\$ 118,294</b>		

VOLUME UNDER CONTRACT as of July 31, 2020				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			<b>176</b>	178
Total Residual MBF Equivalent	357,634	214,536	<b>572,170</b>	545,076
Estimated residual value	\$89,226,651	\$52,456,639	<b>\$141,683,290</b>	\$157,839,199
Residual Value (\$/MBF)	\$249.49	\$244.51	<b>\$247.62</b>	\$289.82

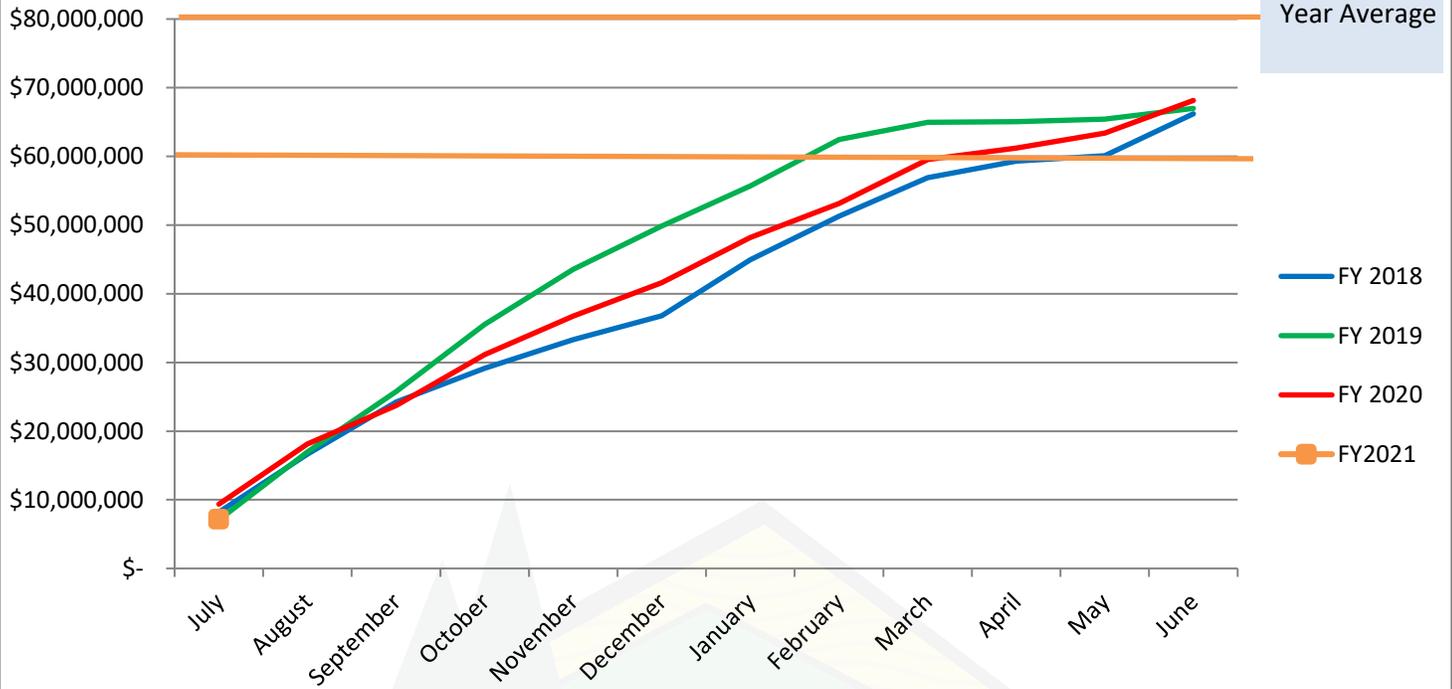
	<b>TIMBER HARVEST RECEIPTS</b>									
	July			FY to date		August Projected				
	Stumpage		Interest	Harvest Receipts		Stumpage		Interest		
<b>Public School</b>	\$	3,482,149.38	\$	392,640.55	\$	3,874,789.93	\$	5,203,268.13	\$	713,243.78
<b>Pooled</b>	\$	2,930,620.07	\$	330,005.44	\$	3,260,625.51	\$	1,662,158.45	\$	214,033.44
<b>General Fund</b>	\$	1,233.66	\$	135.89	\$	1,369.55	\$	1,562.81	\$	179.84
<b>TOTALS</b>	\$	6,414,003.11	\$	722,781.88	\$	7,136,784.99	\$	6,866,989.39	\$	927,457.06

	<b>Status of FY 2020 Timber Sale Program</b>					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of June 30, 2020	170,557	80,927	251,483	10,303	5,650	15,953
Currently Advertised	0	0	0	0	0	0
In Review	14,475	8,405	22,880	0	0	0
Did Not Sell <sup>1</sup>	0	0	0	0	0	0
<b>TOTALS</b>	<b>185,032</b>	<b>89,331</b>	<b>274,363</b>	<b>10,303</b>	<b>5,650</b>	<b>15,953</b>
FY-2020 Sales Plan			267,395			17,953
Percent to Date			103%			89%

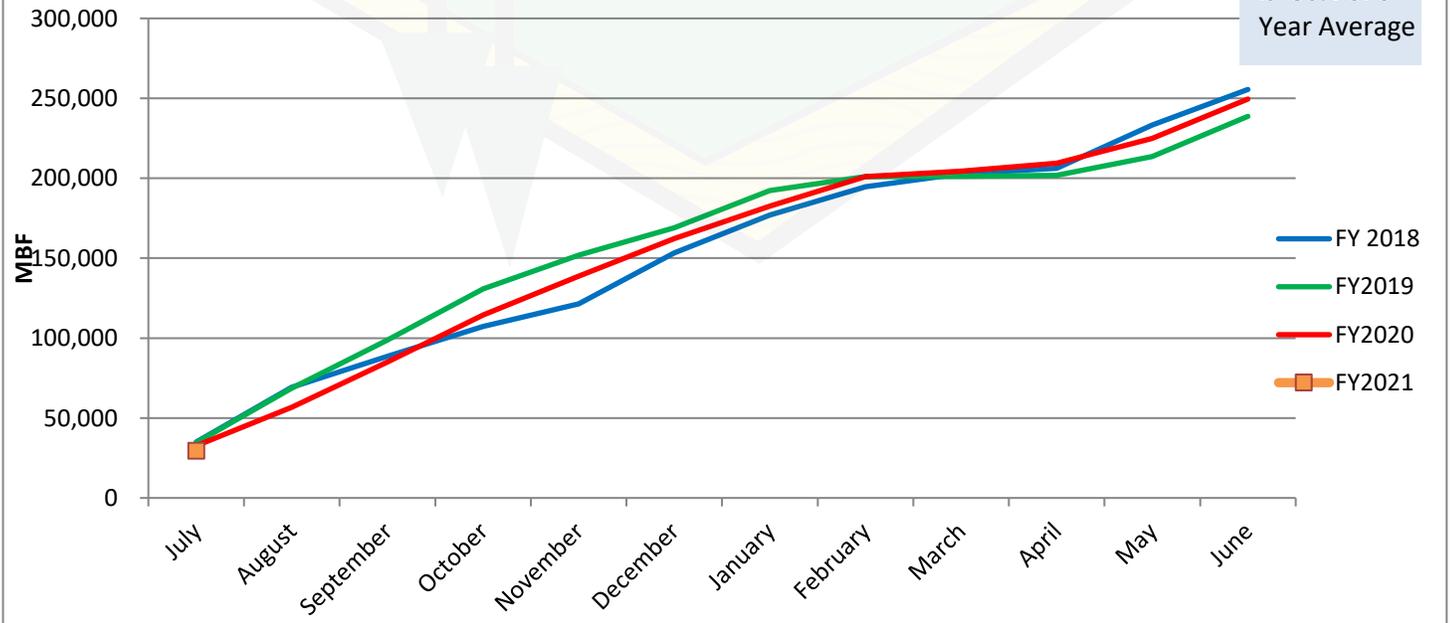
	<b>Status of FY 2021 Timber Sale Program</b>					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of July 31, 2020	100	52	152	0	0	0
Currently Advertised	12,148	18,277	30,425	2,462	2,886	5,348
In Review	16,757	21,458	38,215	0	5,500	5,500
Did Not Sell <sup>1</sup>	0	0	0	0	0	0
<b>TOTALS</b>	<b>29,005</b>	<b>39,787</b>	<b>68,792</b>	<b>2,462</b>	<b>8,386</b>	<b>10,848</b>
FY-2021 Sales Plan			284,238			28,810
Percent to Date			24%			38%

<sup>1</sup> After three attempts at auction.

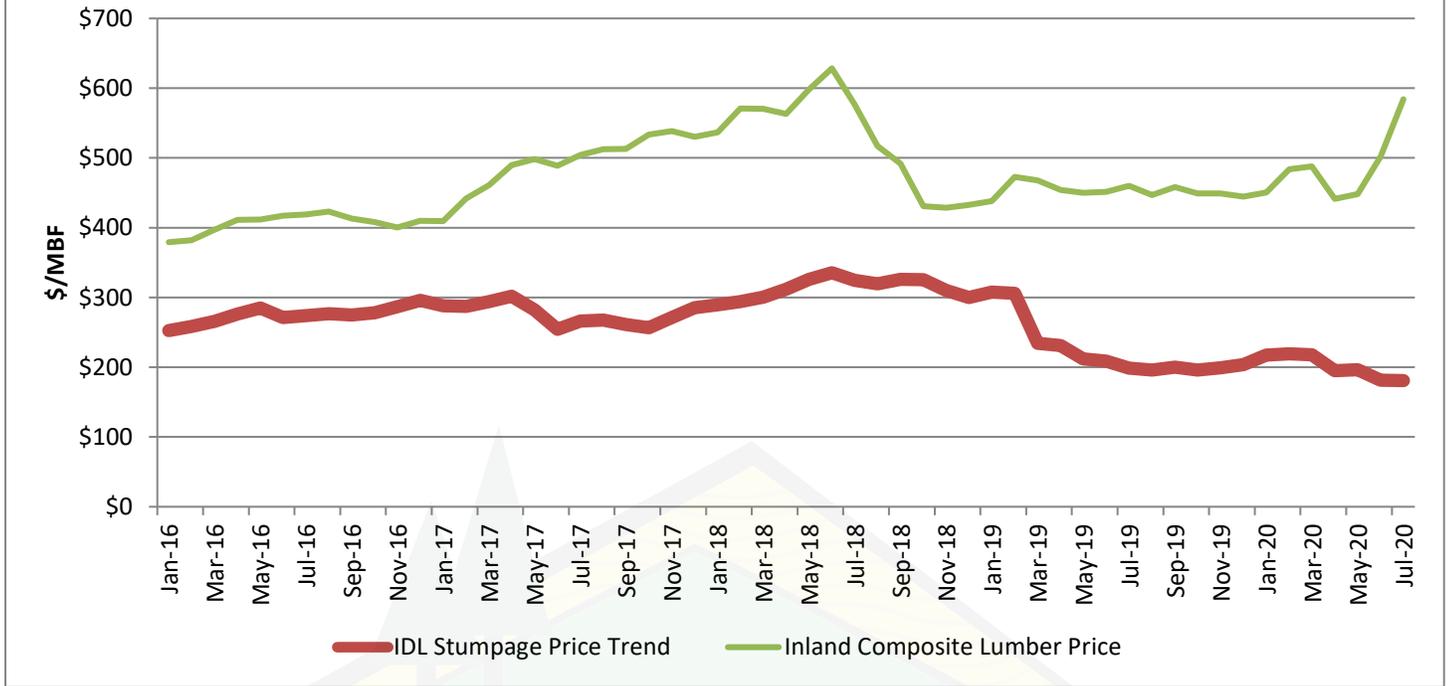
## Cumulative Harvest Receipts



## Cumulative Harvest Volume



## Monthly Lumber and Stumpage Price

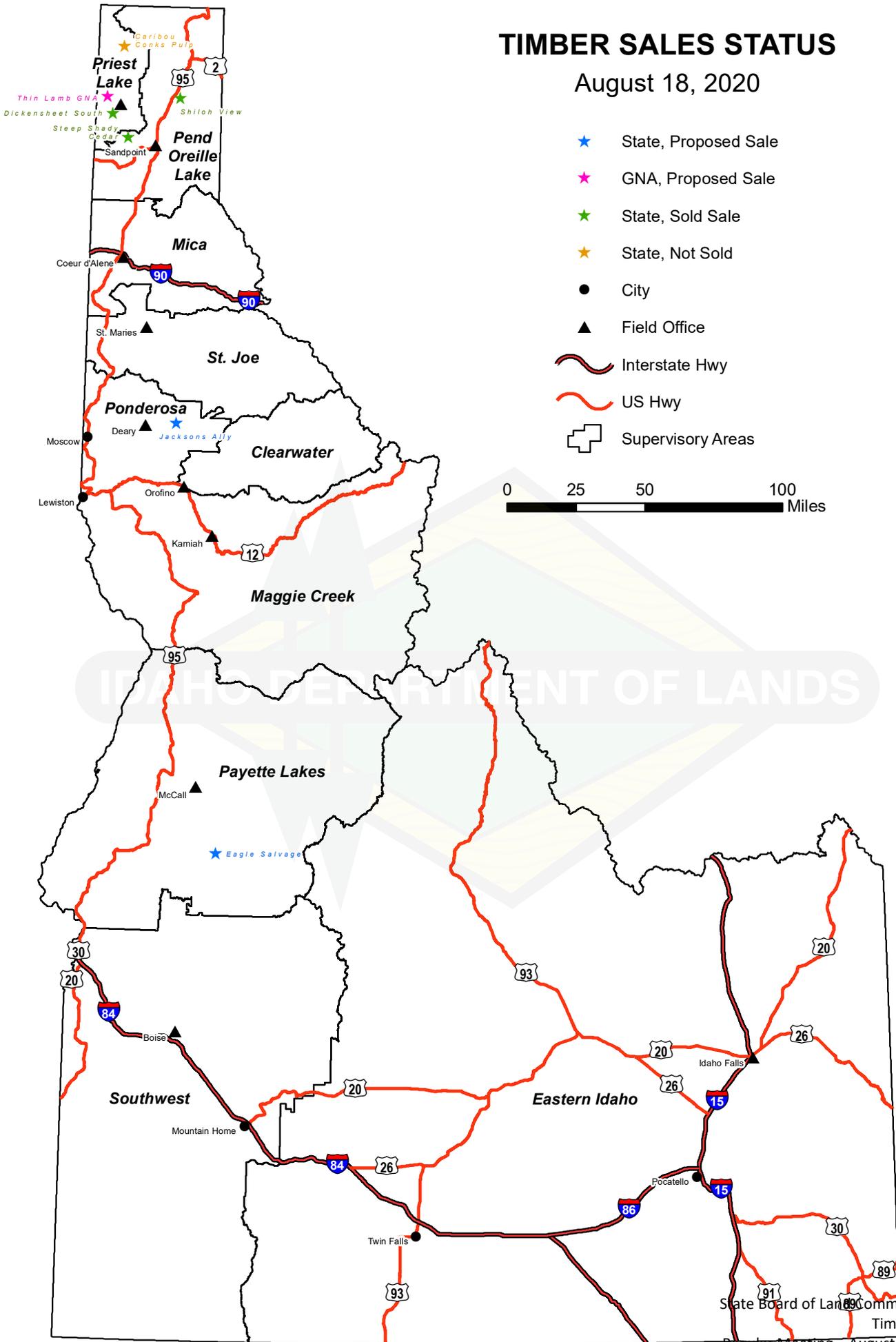


IDL Stumpage Price Line is a 6-month rolling average of the net sale price.

IDAHO DEPARTMENT OF LANDS

# TIMBER SALES STATUS

August 18, 2020



- ★ State, Proposed Sale
- ★ GNA, Proposed Sale
- ★ State, Sold Sale
- ★ State, Not Sold
- City
- ▲ Field Office
- Interstate Hwy
- US Hwy
- ⊕ Supervisory Areas



Slate Board of Land Commissioners  
 Timber Sales  
 Regular Meeting – August 18, 2020

STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Endowment Transactions

Leases and Permits

FISCAL YEAR 2021 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through July 31, 2020														
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	EST	FYTD
<b>SURFACE</b>														
Agriculture	-												1	0
<i>Assignments</i>	-												1	0
Communication Sites	-												31	0
Grazing	7												21	7
<i>Assignments</i>	-												32	0
Residential	-												18	0
<i>Assignments</i>	-												18	0
<b>COMMERCIAL</b>														
Alternative Energy	-												3	0
Industrial	-												6	0
Military	-												4	0
Office/Retail	-												2	0
Recreation	-												10	0
<i>Assignments</i>	-												1	0
<b>OTHER</b>														
Conservation	-												0	0
<i>Assignments</i>	-												-	0
Geothermal	-												4	0
Minerals	13												57	13
<i>Assignments</i>	-												-	0
Non-Comm Recreation	-												3	0
Oil & Gas	-												0	0
<b>PERMITS</b>														
Land Use Permits	10												NA	10
<b>TOTAL INSTRUMENTS</b>	<b>30</b>												<b>212</b>	<b>30</b>

Real Estate

FISCAL YEAR 2021 – REAL ESTATE TRANSACTIONS BY MONTH – through July 31, 2020														
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	EST	FYTD
Deeds Acquired	-													0
Deeds Granted	-													0
Deeds Granted - Surplus	-													0
Easements Acquired	-													0
Easements Granted	-													0
<p><i>There were twelve mineral leases (metallic minerals) issued to DeLamar Mining Company and one for Floyd Ingraham. There were seven grazing leases issued from the 2019 re-advertising process.</i></p>														

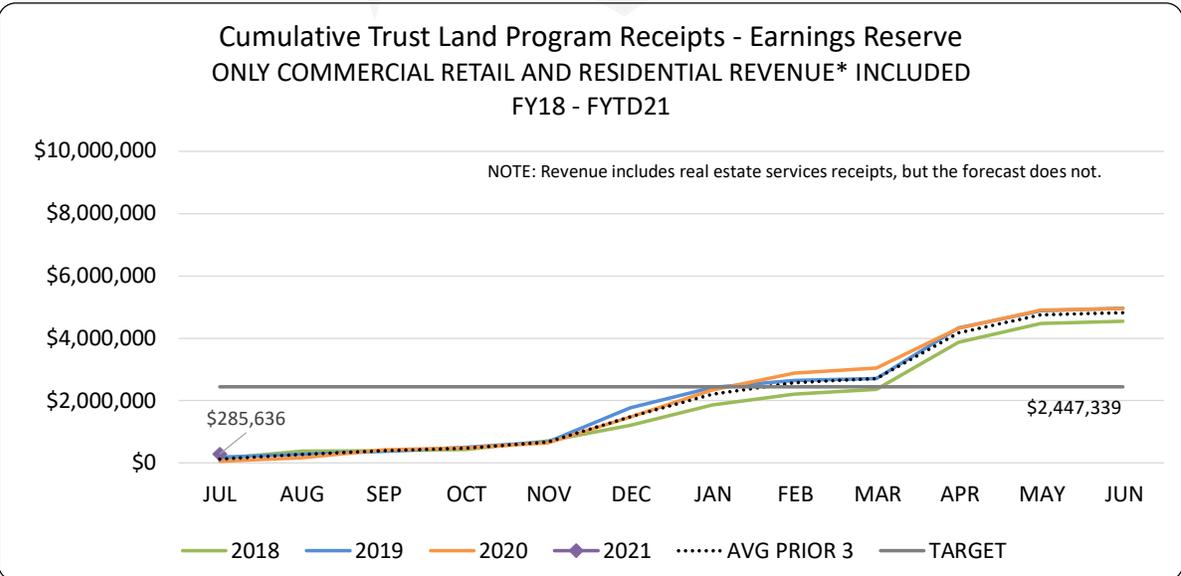
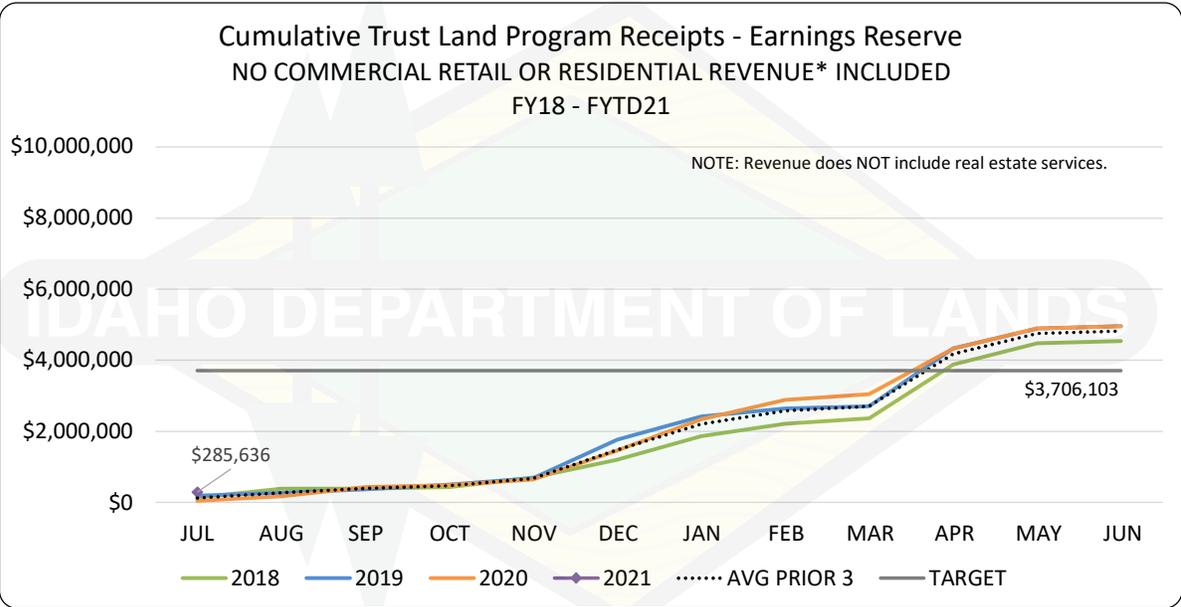
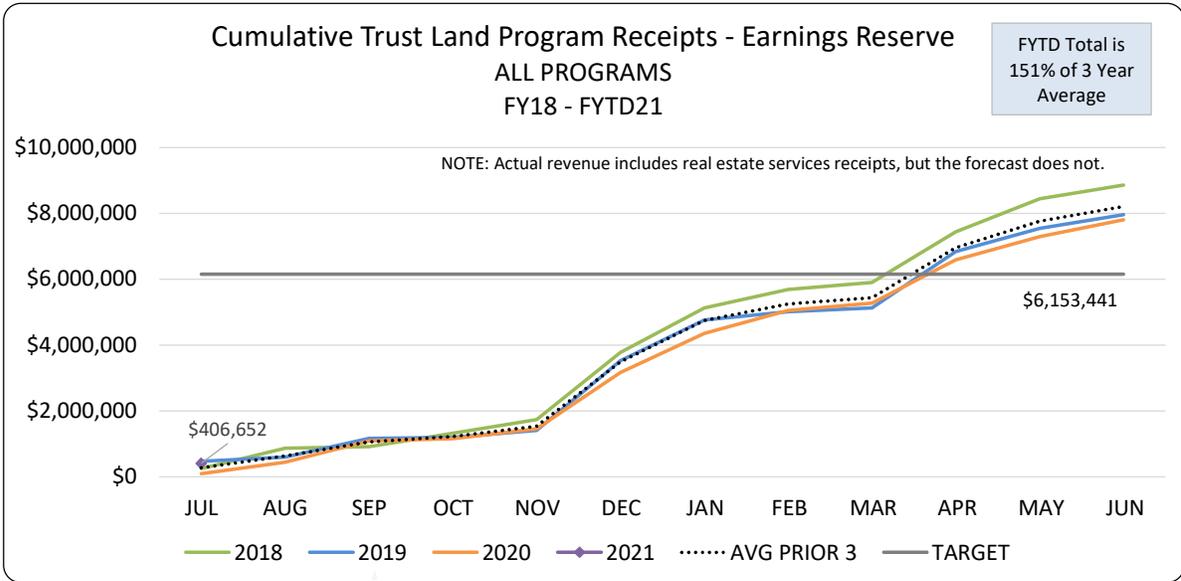
**TRUST LAND MANAGEMENT DIVISION**  
**2021FYTD GROSS REVENUE - ACTUAL AND FORECASTED**  
**through July 31, 2020**

	ACTUAL RECEIPTS AS OF 07.31.2020	REVENUE EXPECTED BY 07.31.2020**	REVENUE EXPECTED BY 06.30.2021
<b>SURFACE</b>			
AGRICULTURE	\$ 2,163	\$ -	\$ 471,741
COMMUNICATION SITES	\$ 25,913	\$ 24,235	\$ 548,358
GRAZING	\$ 601	\$ 4,301	\$ 1,822,510
RESIDENTIAL	\$ 150	\$ -	\$ 1,450,328
<b>COMMERCIAL</b>			
COMMERCIAL ENERGY RESOURCES	\$ -	\$ -	\$ 12,715
COMMERCIAL INDUSTRIAL	\$ 10,756	\$ 19,800	\$ 73,313
COMMERCIAL MILITARY	\$ -	\$ -	\$ 62,438
COMMERCIAL OFFICE/RETAIL	\$ 36,058	\$ 20,771	\$ 997,011
COMMERCIAL RECREATION	\$ 230,690	\$ 231,615	\$ 470,323
<b>OTHER</b>			
CONSERVATION LEASES	\$ 100	\$ -	\$ 103,951
GEOTHERMAL	\$ -	\$ -	\$ 5,000
MINERAL	\$ 14,914	\$ 9,844	\$ 70,492
NON-COMMERCIAL RECREATION	\$ 500	\$ -	\$ 52,129
OIL AND GAS LEASES	\$ -	\$ 1,026	\$ 13,133
<b>Sub Total</b>	<b>\$ 321,845</b>	<b>\$ 311,592</b>	<b>\$ 6,153,441</b>
<b>*LAND SALES/RECORDS</b>			
	\$ 84,807		
<b>*REAL ESTATE SERVICES</b>			
	\$ -		
<b>Grand Total</b>	<b>\$ 406,652</b>		

\* These categories are not included in the annual forecast.

\*\* These figures are based on "normal" timing of revenue/billing throughout the year.

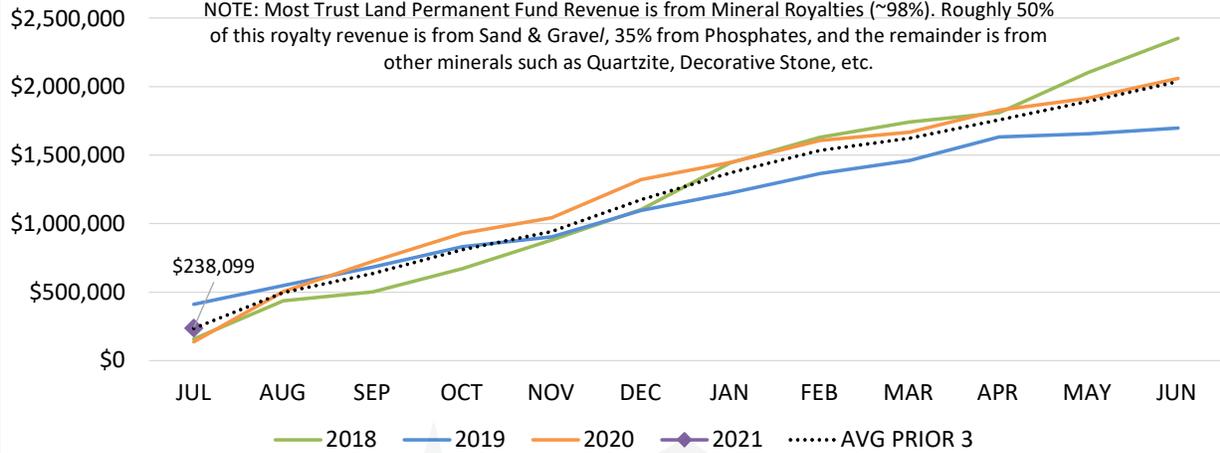
NOTE: The Department prepares the annual endowment revenue forecast by ASSET CLASS (not by Program). For this table, we have attempted to further breakdown the forecast by program by applying trend data.



**Cumulative Trust Land Permanent Fund Revenue/Royalties**  
 (Does NOT include Land Bank Revenue)

FY18 - FYTD21

NOTE: Most Trust Land Permanent Fund Revenue is from Mineral Royalties (~98%). Roughly 50% of this royalty revenue is from Sand & Gravel, 35% from Phosphates, and the remainder is from other minerals such as Quartzite, Decorative Stone, etc.



**IDAHO DEPARTMENT OF LANDS**

# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020  
Department Report

## Subject

Fire Season Update

## Background

As of August 13, 2020, Emergency Fire Suppression expenditures are estimated to be \$9,700,000. The Suppression Account will recover an estimated \$525,000 of reimbursable costs, for a net obligation of \$9,175,000. The total obligation above includes the 2020 contracted aircraft costs, a prepositioned hand crew and 11 prepositioned engines to assist with reduced resource availability due to Covid-19. These engines are assigned across the state to boost initial attack resources.

## Discussion

On August 6 the Pumpkin Fire started northeast of Horseshoe Bend. The fire is 438 acres and is 30 percent contained. The fire is being managed by a type 3 incident management team.

As shown by the table below, fire occurrence to date for 2020 is 59 percent of the 20-year average, while the acres burned is 4 percent of the 20-year average.

**Fire Season Comparison to Date**

Year	# of Fires			Acres
	Lightning	Human	Total	
2017	34	97	131	51,117
2018	37	140	177	7,367
2019	69	100	169	1,215
2020	20	84	104	745
20 Yr. Average			177	20,156

July had near normal temperatures however very low precipitation, about 16 percent of average. This is speeding drying throughout the state and leading to an active fire season in August. The Predictive Services Outlook is showing above average fire potential for August and September.

Currently there are no fire restrictions in place for Idaho.

Department resources have assisted on fires in Idaho, Arizona, Colorado, Wyoming, Utah and Alaska. These assignments represent reimbursable expenses and a savings to Dedicated and General Funds.

## Significant Fires Outside of IDL Protection

### Phillips Creek Fire

This fire is eight miles north of Fairfield; it is 2,112, acres and 100 percent contained. This fire was managed by a type 2 incident management team.

Total Acres Burned by Ownership	
8/13/2020	
Surface Owner	Acres
Idaho Department of Lands	1,941
Other State Lands	1
Private	3,250
Bureau of Land Management	18,544
Other Federal	7,196
U.S. Forest Service	2,586
<b>Total Acres</b>	<b>33,518</b>

Only fires with perimeters in the Fire Enterprise Geospatial Portal and the IDL Lands Resource Manager system have been included in the analysis.

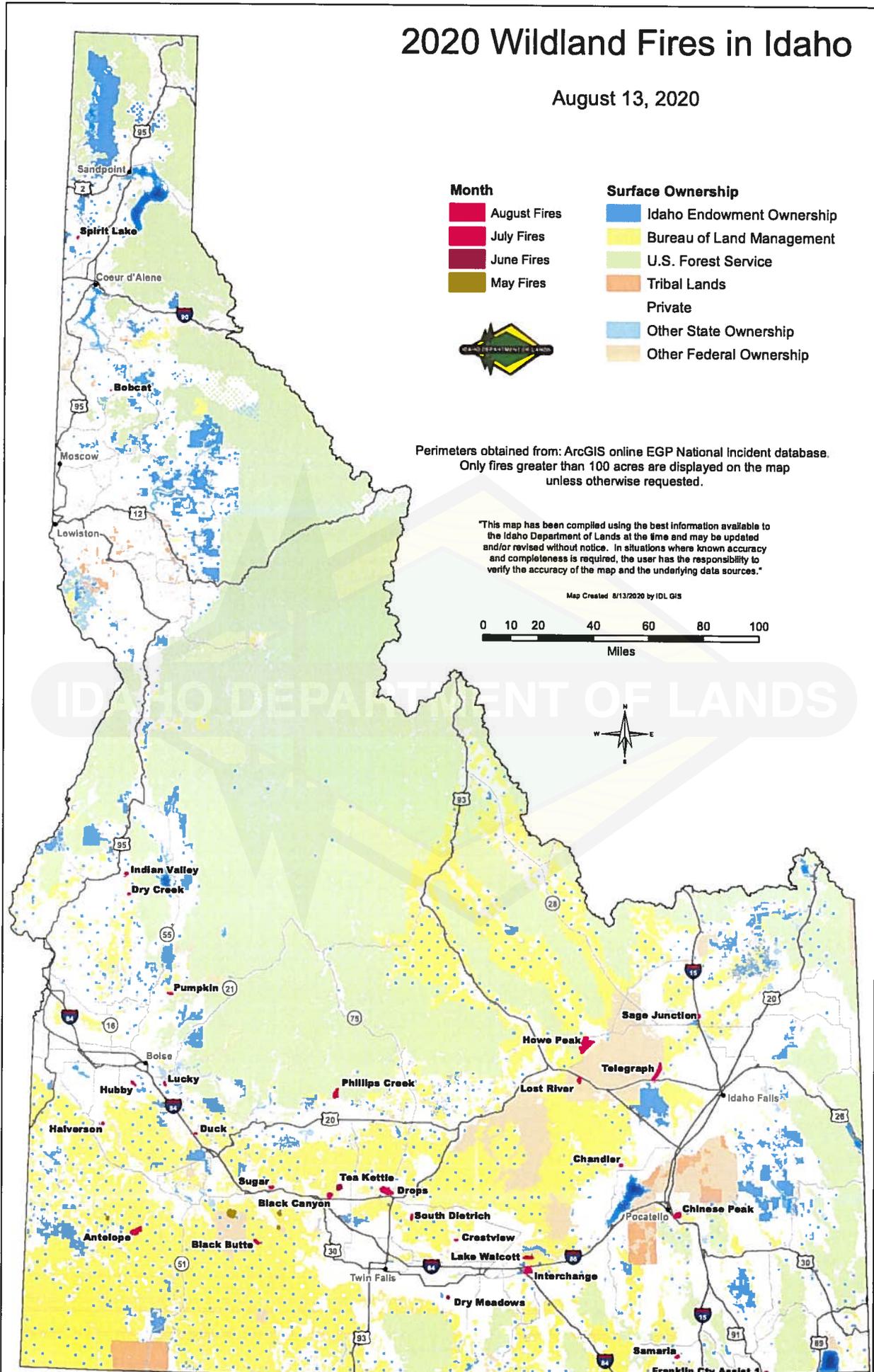
Fire Deficiency Warrant Spending - 2020 Fire Season YTD		
Category	Estimated Costs	Notes
Aviation Resources	\$2,000,000	4 SEATS, 1 Fire Boss, 2 Type 2 Helicopters
Prepositioned Engines	\$750,000	11 contract engines statewide to boost IA
Prepositioned Hand Crew	\$200,000	20-person Hand Crew to boost IA
IDL Team Fires	\$4,100,000	Pumpkin (Type 3)
IDL Non-Team Fires	\$780,000	IDL/Assn. fires including prepositioning
Other Suppression	\$1,870,000	Reimbursable (IDL and Fire Department resources supporting non-IDL fires), Coeur d'Alene Cache, Dispatch, Administrative Support, Investigations
<b>Total Estimate YTD</b>	<b>\$9,700,000</b>	

## Attachments

1. Map—Significant Fires Throughout Idaho

# 2020 Wildland Fires in Idaho

August 13, 2020



# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Department Report

## Subject

Land Revenue Forecast

## Background

Each year, the Idaho Department of Lands (Department) provides a revenue forecast showing a predicted range of revenue by endowment for the next four fiscal years. The forecast is based on expected levels of operations, prices of existing timber sales under contract, and predicted changes in lease revenues and agency expenditures. The four-year net income forecast table is provided as Attachment 1.

An income range is shown for each endowment to account for variability in timber markets and the duration of timber sale contracts; i.e., purchasers have flexibility on when to harvest timber. Most leasing activity returns are relatively stable from year to year; however, leasing revenue has declined in recent years due to the sale of residential and commercial real estate.

## Discussion

The Department's gross land management revenue was \$75.9 million in FY2020, approximately \$1.6 million more than FY2019 and \$1.8 million more than the ten-year average. The \$75.9 million total is approximately \$6.3 million below last year's forecasted high and \$14.1 million above the forecasted low. Gross revenue forecasts compared to actual returns are provided as Attachment 2.

The Department's net land management income was approximately \$47.5 million in FY2020, approximately \$2.5 million more than FY2019 and \$1.75 million less than the ten-year average. The \$47.5 million total is approximately \$13.8 million below last year's forecasted high and \$6.7 million above the forecasted low. Net income forecasts compared to actual returns are provided as Attachment 3.

The timberland asset class accounted for approximately 91% of the total gross land management revenue and 98% of the total net land management income in FY2020. Timber revenue is expected to increase moving forward as the Department implements the new annual sale volume resulting from the Forest Asset Management Plan revision.

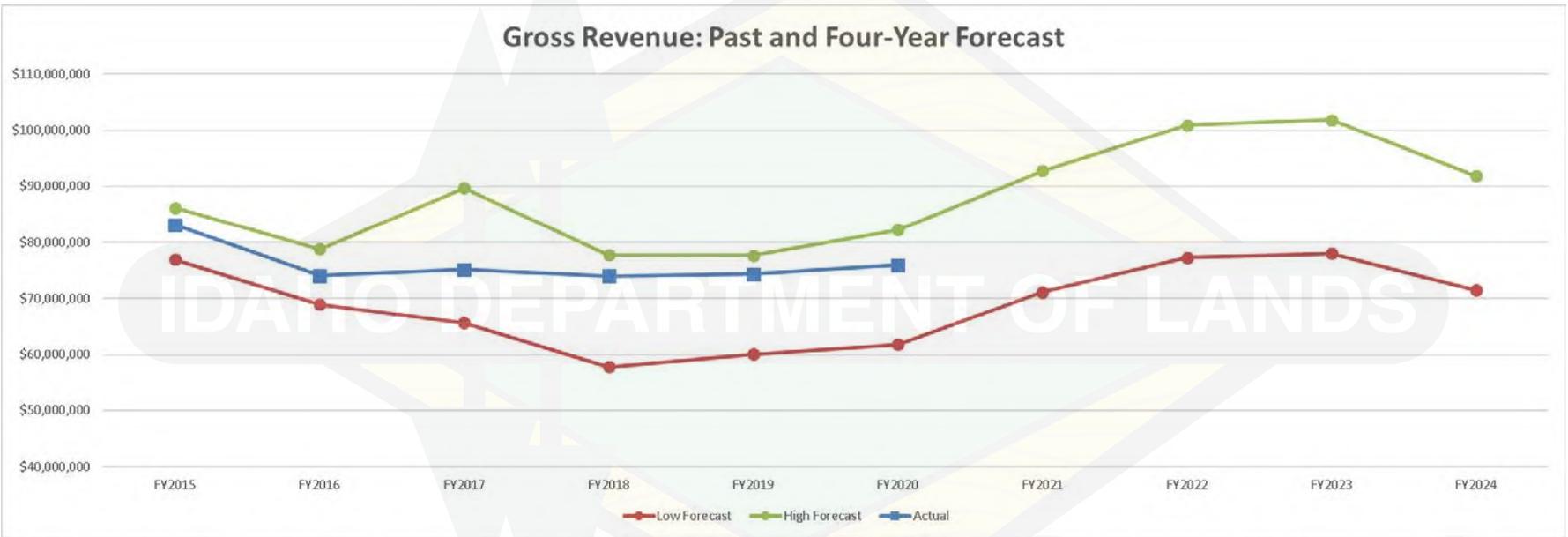
## Attachments

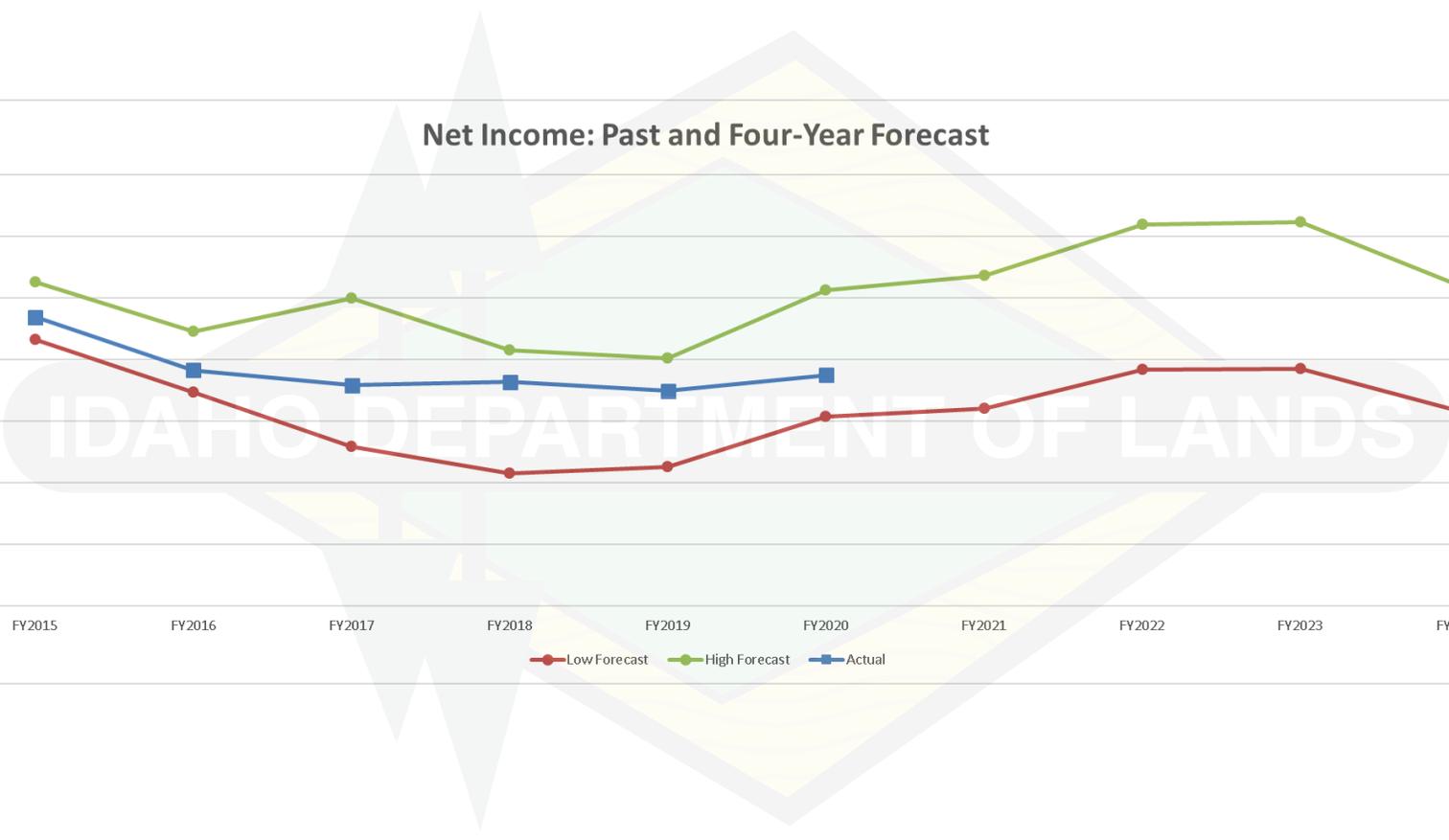
1. Four-Year Net Income Forecast Table (by Endowment)
2. Gross Revenue: Past and Four-Year Forecast Graph
3. Net Income: Past and Four-Year Forecast Graph
4. Past and Forecasted Costs/Expenses
5. Expenses: Past and Four-Year Forecast Graph

### Four-Year Net Income Forecast

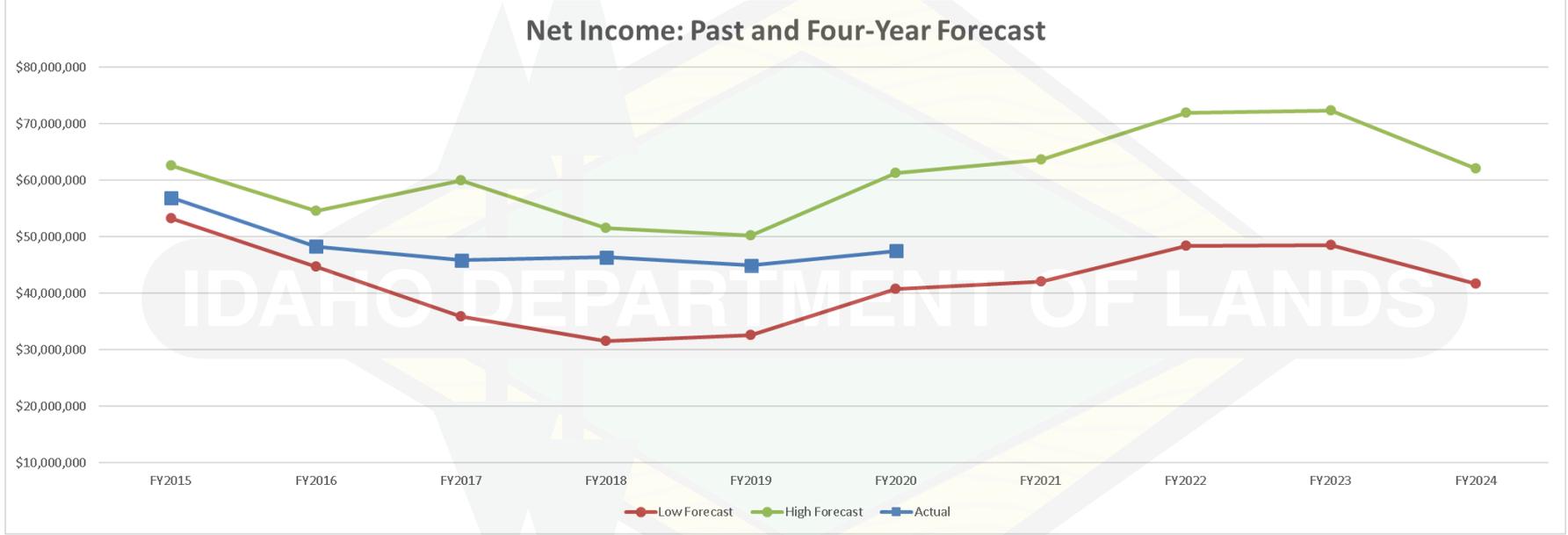
Fiscal Year	Net Income	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary	School of Science	State Hospital South	University	Capitol*	Total
2021	Low	\$ 27,152,777	\$ 542,365	\$ 3,081,824	\$ 1,717,388	\$ 2,223,039	\$ 2,868,399	\$ 1,615,041	\$ 2,784,927	\$ 137,482	\$ 42,123,242
	High	\$ 41,000,764	\$ 832,289	\$ 4,755,066	\$ 2,507,110	\$ 3,415,451	\$ 4,400,223	\$ 2,320,328	\$ 4,283,335	\$ 211,916	\$ 63,726,482
2022	Low	\$ 29,365,865	\$ 796,018	\$ 3,680,093	\$ 2,872,305	\$ 2,306,182	\$ 2,814,249	\$ 2,339,303	\$ 3,954,398	\$ 231,083	\$ 48,359,497
	High	\$ 43,625,043	\$ 1,203,382	\$ 5,585,515	\$ 4,175,070	\$ 3,485,871	\$ 4,248,239	\$ 3,333,891	\$ 5,986,691	\$ 350,392	\$ 71,994,095
2023	Low	\$ 29,384,822	\$ 688,091	\$ 3,717,970	\$ 3,613,959	\$ 2,185,840	\$ 2,113,836	\$ 2,767,199	\$ 3,821,004	\$ 216,821	\$ 48,509,541
	High	\$ 43,739,683	\$ 1,041,863	\$ 5,654,431	\$ 5,305,925	\$ 3,310,166	\$ 3,192,874	\$ 3,985,025	\$ 5,796,248	\$ 329,448	\$ 72,355,663
2024	Low	\$ 25,314,480	\$ 749,961	\$ 3,441,337	\$ 3,104,829	\$ 1,988,564	\$ 1,384,471	\$ 2,626,795	\$ 3,041,496	\$ 96,404	\$ 41,748,337
	High	\$ 37,556,545	\$ 1,135,439	\$ 5,232,771	\$ 4,528,189	\$ 3,009,690	\$ 2,084,346	\$ 3,767,233	\$ 4,611,066	\$ 146,537	\$ 62,071,815

\*Capitol revenue accrues to the permanent fund rather than the reserve.





Net Income: Past and Four-Year Forecast

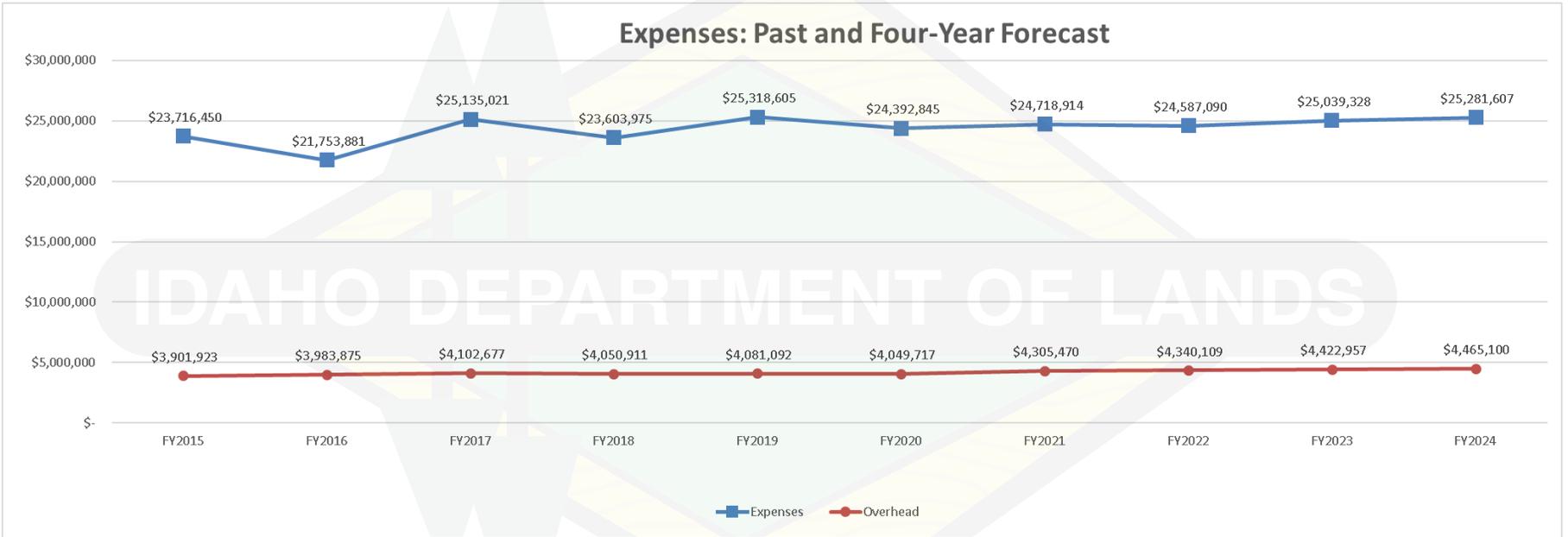


Past and Forecasted Revenue and Costs/Expenses

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
<b>Gross Revenue</b>				86,576,868	94,705,579	95,555,021	85,532,549	High Forecast
Timberland	66,220,267	67,616,485	69,289,869	64,973,628	71,070,981	71,708,898	65,209,071	Low Forecast
Other	7,792,646	6,733,325	6,633,585	6,173,998	6,215,714	6,262,927	6,285,974	
<b>Total Gross Revenue</b>	<b>\$74,012,913</b>	<b>\$74,349,811</b>	<b>\$75,923,454</b>	<b>\$71,147,626</b>	<b>\$77,286,695</b>	<b>\$77,971,825</b>	<b>\$71,495,045</b>	
<b>Expenses</b>								
Timberland	18,972,206	20,222,468	19,103,411	20,843,262	21,051,694	21,471,694	21,686,411	
Other	4,631,769	5,096,137	5,289,434	3,875,652	3,535,395	3,567,634	3,595,196	
<b>Total Expenses</b>	<b>\$23,603,975</b>	<b>\$25,318,605</b>	<b>\$24,392,845</b>	<b>\$24,718,914</b>	<b>\$24,587,090</b>	<b>\$25,039,328</b>	<b>\$25,281,607</b>	
<b>Overhead</b>								
Timberland	3,625,997	3,715,782	3,699,283	3,970,145	4,009,847	4,089,847	4,130,745	
Other	424,914	365,309	350,435	335,325	330,262	333,110	334,355	
<b>Total Overhead</b>	<b>\$4,050,911</b>	<b>\$4,081,092</b>	<b>\$4,049,717</b>	<b>\$4,305,470</b>	<b>\$4,340,109</b>	<b>\$4,422,957</b>	<b>\$4,465,100</b>	
<b>Net Income by Asset Class</b>								
Timberland	43,622,064	43,678,235	46,487,176	40,160,221	46,009,440	46,147,357	39,391,915	
Other	2,735,963	1,271,879	993,716	1,963,021	2,350,056	2,362,183	2,356,422	
<b>Total Net Income</b>	<b>\$46,358,027</b>	<b>\$44,950,114</b>	<b>\$47,480,892</b>	<b>\$42,123,242</b>	<b>\$48,359,497</b>	<b>\$48,509,541</b>	<b>\$41,748,337</b>	

# IDAHO DEPARTMENT OF LANDS

### Expenses: Past and Four-Year Forecast



# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Consent Agenda

## Subject

Department of Lands FY2021-FY2024 Strategic Plan

## Question Presented

Shall the Board direct the Department to submit the FY2021-FY2024 Strategic Plan to the Division of Financial Management by August 28, 2020?

## Background

Each year the Division of Financial Management (DFM) collects agency strategic plans in accordance with Idaho Code §§ 67-1901–1904. This year's deadline for submittal is August 28, 2020.

Several years ago the Department worked with William Pawlucy, founder and CEO of Associated Options, a global management consulting firm, to complete a thorough strategic planning process. Interviews and surveys were used to gather input from the Board, external parties, and Department staff. The process reviewed the Department's mission, revised its vision, and established values. Since the time of that comprehensive exercise, the Department has continued to use the plan as a working document which serves to center the staff's efforts and keep everyday work aligned with the ultimate goals.

## Discussion

Under the overarching theme of "mission driven, customer focused," four high-level agency-wide goals were established for the Department:

1. **Financial Stewardship:** Fulfill the Land Board's fiduciary duties by maximizing long-term financial returns from the endowment lands and through prudent management of state funds and resources.
2. **Customer Focused:** Deliver programs with professionalism and integrity, providing exemplary service to external and internal customers.
3. **People:** Develop a well-trained, high-performing workforce focused on carrying out the Department's mission.
4. **Process:** Implement policies and procedures through the use of integrated systems that support effective and informed decision-making.

Strategies intended to achieve each of these goals were identified, and subsequently, tasks and performance measures aimed at tracking progress toward achieving each goal were developed.

The Department ensures that the identified strategic tasks are incorporated appropriately into all employees' objectives as a part of their annual performance evaluation in I-PERFORM. Each employee's annual work objectives must be linked specifically to one of the Department's strategic goals. This alignment ensures all efforts are focused on the most important goals and that each employee can more clearly see how his or her role directly links to the goals and mission of this organization.

The current strategic plan structure, which includes the Department's mission, vision, values, goals, and strategies is provided as Attachment 1. The complete listing of FY2021-FY2024 goals, strategies, tasks, and performance measures is provided as Attachment 2. The Department's final strategic plan submission on or before August 28, 2020 will meet all of the required elements as outlined by DFM.

### **Recommendation**

Direct the Department to submit its FY2021-FY2024 Strategic Plan to the Division of Financial Management by August 28, 2020.

### **Board Action**

### **Attachments**

1. Strategic Plan Structure
2. FY2021-FY2024 Strategic Plan



## STRATEGIC PLAN STRUCTURE

### Mission

*To professionally and prudently manage Idaho's endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.*

### Vision

The Idaho Department of Lands will be the premier organization for trust management and resource protection in the western United States.

### Values

- **STEWARDSHIP** – Making decisions and taking actions that positively affect long-term financial returns for the trust beneficiaries and enhance the health and resilience of Idaho's natural resources.
- **SERVICE** – Providing exemplary service and delivering programs with professionalism and integrity to both internal and external customers.
- **ACCOUNTABILITY** – Investing in and having an organizational culture and framework that equips, entrusts, and expects employees to make decisions and get things done.
- **COHESIVENESS** – Working as a unified organization in which all employees participate in constructive communication to fully meet our mission.

### Goal #1

**FINANCIAL STEWARDSHIP** – *Fulfill the Land Board's fiduciary duty by maximizing long-term financial returns from the endowment lands and through prudent management of state funds and resources.*

1. **BUDGET** – Effectively manage the budget through regular communications, reporting, and analysis.
2. **TRUST** – Monitor whole trust performance and pursue reinvestment opportunities.
3. **EFFICIENCY** – Explore and pursue potential efficiencies and sources of grant funding.
4. **IMPLEMENT PLANS/POLICIES** – Implement endowment land asset management plans and other agency plans and policies.

### Goal #2

**CUSTOMER FOCUSED** – *Deliver programs with professionalism and integrity, providing exemplary service to external and internal customers.*

1. **EXTERNAL** – Identify methods for improving and expanding customer service through outreach and clear, consistent messaging.
2. **INTERNAL** – Strengthen internal communication channels through regular engagements and planning.
3. **CUSTOMER SATISFACTION** – Measure and evaluate internal and external customer service feedback and pursue improvement.

## Goal #3

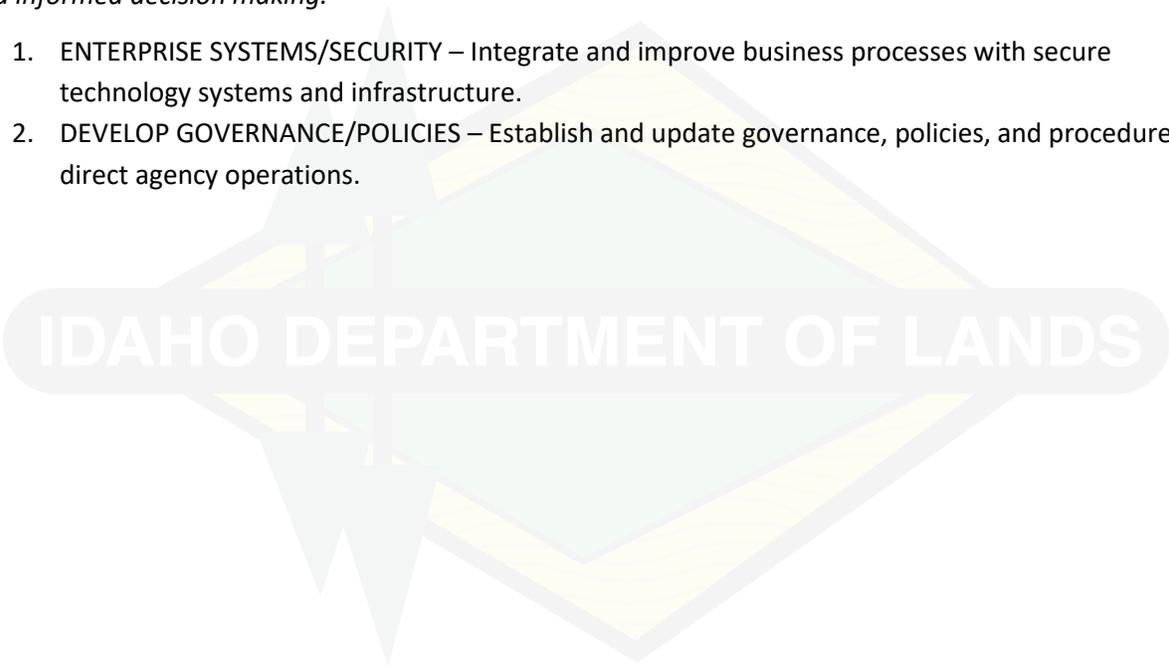
**PEOPLE** – *Develop a well-trained, high-performing workforce focused on carrying out IDL's mission.*

1. TRAIN – Train and develop staff to be successful in their roles.
2. ONBOARD – Familiarize new staff with agency values and outline clear expectations.
3. RECRUIT/RETAIN – Develop guidelines and strategies for recruiting and retaining staff well-suited for the agency.
4. DEVELOP – Recognize and develop leaders from within.
5. ALIGN – Create a culture of alignment through clear expectations and coordination between programs.

## Goal #4

**PROCESS** – *Implement policies and procedures through the use of integrated systems that support effective and informed decision making.*

1. ENTERPRISE SYSTEMS/SECURITY – Integrate and improve business processes with secure technology systems and infrastructure.
2. DEVELOP GOVERNANCE/POLICIES – Establish and update governance, policies, and procedures to direct agency operations.

The logo for the Idaho Department of Lands is a large, semi-transparent watermark in the background. It features a central diamond shape with a light green background and a yellow border. The diamond is set within a larger, light blue diamond shape. A horizontal bar with rounded ends, containing the text "IDAHO DEPARTMENT OF LANDS" in white, capital letters, is positioned across the middle of the diamond. The background of the logo is a light blue and green geometric pattern.

IDAHO DEPARTMENT OF LANDS

**Idaho Department of Lands**  
FY2021-2024 Strategic Plan

FY	Group	Division	Group Leader	Goal	Strategy	Task Description
2021	Financial Services	Business Services	Debbie Buck	3-People	3.5-Align	Manage re-org through the budget and structure phases.
2021	Financial Services	Business Services	Debbie Buck	4-Process	4.1-Enterprise Systems & Security	LUMA. Finance and Purchasing. Go live July 2021 (FY22).
2021	Financial Services	Business Services	Debbie Buck	4-Process	4.1-Enterprise Systems & Security	LIMS LW. Project completion December 2020.
2021	Financial Services	Business Services	Debbie Buck	4-Process	4.1-Enterprise Systems & Security	Navision Enhancements. In support of LIMS and Fire receivables.
2021	Human Resources	Business Services	Andrea Ryan	3-People	3.1-Train	Review the provisioning process for new hires, employee changes, and separations.
2021	Human Resources	Business Services	Andrea Ryan	3-People	3.3-Recruit & Retain	Review the recruiting process from job vacancy to job fill with considerations for new technology.
2021	Human Resources	Business Services	Andrea Ryan	3-People	3.1-Train	Create an agency-wide supervisory training plan including all Business Services topics.
2021	Human Resources	Business Services	Andrea Ryan	3-People	3.3-Recruit & Retain	Develop a multi-year compensation plan.
2021	Information Technology	Business Services	Dan Raiha	2-Customer Focused	3.1-Train	Collaborate with TRSs and program staff to provide responsive support to external customers via Access IDL for public-facing components of the Landfolio system.
2021	Information Technology	Business Services	Dan Raiha	4-Process	4.1-Enterprise Systems & Security	Assess and improve security posture of IDL systems.
2021	Information Technology	Business Services	Dan Raiha	4-Process	4.1-Enterprise Systems & Security	Continue LIMS LW implementation.
2021	Information Technology	Business Services	Dan Raiha	4-Process	4.1-Enterprise Systems & Security	Update enterprise system documentation and system support requirements to ensure long-term viability of IDL systems operation during and after IT consolidation to ITS.
2021	Information Technology	Business Services	Dan Raiha	1-Financial Stewardship	1.1-Budget	Document all system and operational support tasks completed by IT staff.
2021	Information Technology	Business Services	Dan Raiha	4-Process	1.3-Efficiency	Continue DevOps program implementation to streamline operational support and enhancement to enterprise systems.
2021	Information Technology	Business Services	Dan Raiha	4-Process	4.1-Enterprise Systems & Security	Complete ECM implementation.
2021	Policy & Communication	Director's Office	Scott Phillips	2-Customer Focused	2.2-Internal	Increase two-way communication with Land Board members and their staff.
2021	Policy & Communication	Director's Office	Scott Phillips	2-Customer Focused	2.1-External	Increase communication and understanding about Land Board priorities, endowment land management activities, and revenue generation with endowment beneficiaries
2021	Policy & Communication	Director's Office	Scott Phillips	2-Customer Focused	2.1-External	Meet the communication and public outreach needs of internal IDL customers using a service bureau model.
2021	Policy & Communication	Director's Office	Scott Phillips	4-Process	4.2-Develop Governance/Policies	Improve transparency and formalize executive-level participation in the development of department policy, rules, and legislative proposals.
2021	Fire Management	Forestry & Fire	Josh Harvey	3-People	3.4-Develop	Annually conduct a review of employees' IQS records to ensure employees are maintaining their qualifications and identify critical positions needed in the fire management organization.
2021	Fire Management	Forestry & Fire	Josh Harvey	4-Process	4.1-Enterprise Systems & Security	Work with the IT and Tech Services Bureaus to deploy data enabled tablets in each IDL Engine, Warden, Assistant Warden, and Helitack Module to take advantage of the InFORM fire data collection systems and fire reporting and mapping applications.
2021	Fire Management	Forestry & Fire	Josh Harvey	1-Financial Stewardship	1.1-Budget	Increase the assessment of forestland throughout the state of Idaho.
2021	Fire Management	Forestry & Fire	Josh Harvey	2-Customer Focused	2.2-Internal	Work with regional ops chiefs to identify a consistent and replicable method of ascertaining area pool cost and what the appropriate percentage of fire funding should be. After identifying pool cost, establish appropriate method of determining additional OE for training, equipment, maintenance, etc. to reevaluate area OE allocation methodology.

**Idaho Department of Lands**  
FY2021-2024 Strategic Plan

FY	Group	Division	Group Leader	Goal	Strategy	Task Description
2021	Fire Management	Forestry & Fire	Josh Harvey	4-Process	4.2-Develop Governance & Policies	Complete Master Agreement 12/31/2021.
2021	Fire Management	Forestry & Fire	Josh Harvey	4-Process	4.2-Develop Governance & Policies	Upon completion of Fire Management Review, develop plan for implementing key findings and recommendations.
2021	Forestry Assistance	Forestry & Fire	Ara Andrea	1-Financial Stewardship	1.2-Trust	Prepare and submit applications seeking external funding (beyond conventional State and Private Forestry grants) to carry out targeted cross-boundary projects focused on prioritized Shared Stewardship focal areas and adjacent to other national forests where GNA/cross-boundary work is initiating.
2021	Forestry Assistance	Forestry & Fire	Ara Andrea	1-Financial Stewardship	1.3-Efficiency	Build and implement improved processes to gain efficiencies.
2021	Forestry Assistance	Forestry & Fire	Ara Andrea	1-Financial Stewardship	1.4-Implement Plans & Policies	Design projects to keep working forests working.
2021	Forestry Assistance	Forestry & Fire	Ara Andrea	2-Customer Focused	2.1-External	Use targeted outreach strategies to reach and educate private forestland owners included in Idaho's two Shared Stewardship Priority Landscapes.
2021	Forestry Assistance	Forestry & Fire	Ara Andrea	2-Customer Focused	2.2-Internal	Build more integration between FAB programs; develop agreements with other IDL programs and external partnering agencies to more cooperatively implement cross-boundary treatment projects.
2021	GNA	Forestry & Fire	Jon Songster	1-Financial Stewardship	1.4-Implement Plans & Policies	Award a minimum of 4 GNA timber sale contracts annually statewide to implement restoration activities to reduce the threat of forest insect, disease, and wildfire on USFS forestlands.
2021	GNA	Forestry & Fire	Jon Songster	1-Financial Stewardship	1.4-Implement Plans & Policies	Provide planning and support for at least 3 forest restoration projects through field reconnaissance, data collection, and contracted services to accelerate restoration project planning in compliance with National Forest Management, Historic Preservation, Endangered Species, and National Environmental Planning Acts.
2021	GNA	Forestry & Fire	Jon Songster	1-Financial Stewardship	1.4-Implement Plans & Policies	Plan and implement a minimum of 3 non-commercial restoration projects annually to improve forest, watershed, or rangeland health under GNA.
2021	GNA	Forestry & Fire	Jon Songster	3-People	3.5-Align	Increase IDL capacity to assist Federal partners under GNA through recruitment and training of 2 new GNA Program Specialists and 2 Resources Specialists.
2021	Oil & Gas	Minerals, Public Trust, Oil & Gas	Mick Thomas	4-Process	4.2-Develop Governance & Policies	Develop interagency partnerships, policies, and procedures to enable the effective dissemination of well data to the public.
2021	Oil & Gas	Minerals, Public Trust, Oil & Gas	Mick Thomas	4-Process	4.2-Develop Governance & Policies	Broaden the roles of Oil & Gas staff to improve project completion within the combined Minerals, Public Trust, Oil & Gas division.
2021	Oil & Gas	Minerals, Public Trust, Oil & Gas	Mick Thomas	1-Financial Stewardship	1.1-Budget	Revert general fund dollars from the program to help reduce cost.
2021	Oil & Gas	Minerals, Public Trust, Oil & Gas	Mick Thomas	1-Financial Stewardship	1.1-Budget	Increase operator reporting accuracy to improve revenue streams. Provide detailed reporting requirements and instruction to oil and gas operators. Cross-check reported data with certified well data examinations.
2021	RPA	Minerals, Public Trust, Oil & Gas	Eric Wilson	1-Financial Stewardship	1.1-Budget	Develop strategies to enhance revenues, revenue generating activity, and reduce bond liability to the State within the Mining Regulatory and Public Trust programs. Cost recovery fees and dedicated fund revenues that replace general fund revenues are vital for continued implementation of professional and fully functional programs.
2021	RPA	Minerals, Public Trust, Oil & Gas	Eric Wilson	1-Financial Stewardship	1.4-Implement Plans & Policies	Align current statutes and rules with modern technology use, dedicated fund cost-recovery fee schedules, and improve clarity in language and definition. Pursue Statute and Rules changes by program to enhance program performance.

**Idaho Department of Lands**

FY2021-2024 Strategic Plan

FY	Group	Division	Group Leader	Goal	Strategy	Task Description
2021	RPA	Minerals, Public Trust, Oil & Gas	Eric Wilson	2-Customer Focused	2.1-External	Inform and educate the public on current Regulatory Protection and Assistance program regulations by developing and distributing brochures, FAQs, and updates to IDL webpage.
2021	RPA	Minerals, Public Trust, Oil & Gas	Eric Wilson	4-Process	4.1-Enterprise Systems & Security	Develop and implement new Lands and Waterways, Land Information Management System (LW LIMS) - Trimble Landfolio. This system will facilitate strategic management of state endowment trust lands, regulatory and resource protection, and private citizens assistance. Implemented system will improve administrative process efficiencies, analysis and reporting capabilities, and customer service.
2021	RPA	Minerals, Public Trust, Oil & Gas	Eric Wilson	4-Process	4.2-Develop Governance & Policies	Address public safety by providing a focused effort on the Abandoned Mine Lands program through project closure and inspection procedures defined, developed, and implemented.
2021	RPA	Minerals, Public Trust, Oil & Gas	Eric Wilson	4-Process	4.2-Develop Governance & Policies	Develop an Area inspection schedule in coordination with Area staff in an effort to increase RPA bureau revenue, reduce potential State liability, and reduce the RPA inspection and compliance backlog. Programs include Public Trust and Mining Regulatory.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.1-Budget	ST. JOE: Achieve 75% survival on plantations and achieve a minimum 85% regeneration stocking index (RSI) on artificial and naturally regenerated stands at age 5. Regeneration/re-establishment should be focused on preferred species. Current status is 70% survival on plantations.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.1-Budget	PONDEROSA: Achieve 75% survival on plantations and achieve a minimum 85% regeneration stocking index (RSI) on artificial and naturally regenerated stands at age 5. Regeneration/re-establishment should be focused on preferred species .
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.2-Trust	UNIFIED: Prioritize sourcing and evaluation of potential land acquisitions.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.2-Trust	PRIEST LAKE: Alleviate IDL road maintenance costs by working with local entities to transfer 2.5 miles of existing IDL main haul road (East Shore Road) to the local county highway district.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.3-Efficiency	UNIFIED: All fires investigated for potential cost recovery in cooperation with the Fire Management Bureau.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.3-Efficiency	PONDEROSA: Manage and support the Teakean Hand Crew.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.4-Implement Plans & Policies	UNIFIED: Assist with GNA and Shared Stewardship project implementation without impacting endowment land management in identified priority landscapes.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.4-Implement Plans & Policies	PRIEST LAKE: Identify all commercial activities occurring on public trust lands on the Priest Lake Supervisory Area.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.4-Implement Plans & Policies	PEND OREILLE LAKE: Integrate the Area's Endowment Coordinator position into Area process and procedures to better manage recreation and other financial impacts to endowment lands. Coordinate the use of Off Road Vehicle funds and other resources to manage OHV impacts in the Hoodoos mountain area.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.4-Implement Plans & Policies	PRIEST LAKE: Implement the updated 2020 Forest Asset Management Plan. Utilize LRM/LIMS, Lidar, Phodar, and UAS to update current FAMP model and review model inputs to increase efficiencies in development of future FAMP models.

**Idaho Department of Lands**  
FY2021-2024 Strategic Plan

FY	Group	Division	Group Leader	Goal	Strategy	Task Description
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	1.4-Implement Plans & Policies	PONDEROSA: Work with Inventory Program to acquire information needed to validate growth model outputs.
2021	North Idaho Operations	Operations	Eric Besaw	1-Financial Stewardship	2.2-Internal	MICA: Complete the design and layout of transportation system for Eagle Ridge, Thompson Creek, and Black Rock areas. Incorporate the development plans into the 10-year sale plan for funding by endowments.
2021	North Idaho Operations	Operations	Eric Besaw	2-Customer Focused	2.1-External	PEND OREILLE LAKE: Take the lead in establishing process and procedures for the Shared Stewardship's focal area in southern Bonner county. Use IDL contacts with local resources, government agencies, and landowners to deliver and coordinate Shared Stewardship projects and programs.
2021	North Idaho Operations	Operations	Eric Besaw	2-Customer Focused	2.1-External	PEND OREILLE LAKE: Create and present a public Zoom meeting to show how to issue your own burn permit using the website.
2021	North Idaho Operations	Operations	Eric Besaw	2-Customer Focused	2.1-External	MICA: Coordinate Forest Stewardship and funding strategies with fire hazard reduction priority locations across the Mica Area.
2021	North Idaho Operations	Operations	Eric Besaw	2-Customer Focused	2.1-External	PRIEST LAKE: Improve coordinated strategy to identify and educate recreational user groups on state endowment trust lands at Priest Lake.
2021	North Idaho Operations	Operations	Eric Besaw	2-Customer Focused	2.2-Internal	UNIFIED: Develop prioritized lists of access needs for each supervisory area to inform the Real Estate Services Bureau as they pursue access to 100% of endowment lands.
2021	North Idaho Operations	Operations	Eric Besaw	3-People	3.4-Develop	PONDEROSA: Maintain and possibly expand quality customer service with the Forest Stewardship Program.
2021	North Idaho Operations	Operations	Eric Besaw	3-People	3.5-Align	UNIFIED: Implement the Operations Communications Plan to ensure active two-way communication and improve clarity within the division.
2021	North Idaho Operations	Operations	Eric Besaw	4-Process	4.2-Develop Governance & Policies	UNIFIED: Complete a comprehensive facility build-out plan for area offices.
2021	North Idaho Operations	Operations	Eric Besaw	4-Process	4.2-Develop Governance & Policies	PEND OREILLE LAKE: Maintain written 5-year facility plan for each POL administrative site KV, Shiloh, Sandpoint (annually May 1).
2021	South Idaho Operations	Operations	Jay Hein	4-Process	4.2-Develop Governance & Policies	SOUTHWEST: Complete and implement a rewrite of Supplement 1 to the USFS/IDL Cost Share Road Agreement.
2021	South Idaho Operations	Operations	Jay Hein	2-Customer Focused	2.1-External	CLEARWATER: Craig Mountain Fire District personnel will improve and promote relationships and cooperation with all fire service organizations (FSOs) within the Craig Mountain Fire District by conducting annual meetings with FSOs to review MOUs, MOAs, and local operating plans in preparation for upcoming fire season.
2021	South Idaho Operations	Operations	Jay Hein	3-People	3.3-Recruit & Retain	CLEARWATER: In 2020, the Area timber staff remains committed to mentoring and developing temporary employees with the intent of them pursuing careers with IDL.
2021	South Idaho Operations	Operations	Jay Hein	1-Financial Stewardship	1.4-Implement Plans & Policies	PAYETTE LAKES: The Payette Lakes Area Public Trust Program will inspect all encroachments with an expiring sunset clause, either by aerial imagery or in person, as well as all expiring submerged land leases by October 31st of each year.
2021	South Idaho Operations	Operations	Jay Hein	1-Financial Stewardship	1.4-Implement Plans & Policies	MAGGIE CREEK: Work with Real Estate Services Bureau and other Areas (as appropriate) to secure 25% of identified priority easements for accessing state endowment lands in the Joseph Plains region of the Maggie Creek Area by June 30, 2023.

**Idaho Department of Lands**  
FY2021-2024 Strategic Plan

FY	Group	Division	Group Leader	Goal	Strategy	Task Description
2021	South Idaho Operations	Operations	Jay Hein	1-Financial Stewardship	1.4-Implement Plans & Policies	EASTERN: Work cooperatively with Bear Lake County and other interested parties, complete development of a joint plan to improve management of the bed of Bear Lake when exposed by low water levels that embraces the Public Trust Doctrine and public use while also protecting the resource.
2021	South Idaho Operations	Operations	Jay Hein	3-People	3.5-Align	MAGGIE CREEK: Develop and implement a plan by June 30, 2023 to consolidate the current split operations of the former Craig Mountain Area in order to efficiently manage endowment lands, regulatory obligations, personnel, budgets, and facilities.
2021	Real Estate Services	Trust Land	Ryan Montoya	4-Process	4.2-Develop Governance & Policies	Final Right-of-Way procedures posted to SharePoint. Bureau provides outreach, communication, and Area operations training on procedures. One ROW procedures training facilitated by ROW Program Manager. ROW Project Evaluation Committee develops ROW project scoring matrix to evaluate and prioritize ROW acquisition projects. Planning and Entitlement Committee meets monthly.
2021	Real Estate Services	Trust Land	Ryan Montoya	4-Process	4.1-Enterprise Systems & Security	Assist with the LW LIM System by providing Bureau contribution on vision, input, and participation in planning development, data clean-up and migration, pilot-project, and Go-Live iterations. Bureau and staff are expected to actively participate in iterations and provide full support as needed for implementation of Trimble Landfolio/Land Records systems, ECM system, and Mobile Technology system.
2021	Real Estate Services	Trust Land	Ryan Montoya	1-Financial Stewardship	1.2-Trust	Align leases and processes with current statutes and rules.
2021	Real Estate Services	Trust Land	Ryan Montoya	1-Financial Stewardship	1.4-Implement Plans & Policies	Identify transition lands for higher/best-use, commercial ground lease opportunities, or property disposition. Develop and implement a commercial ground leasing process.
2021	Real Estate Services	Trust Land	Ryan Montoya	1-Financial Stewardship	1.4-Implement Plans & Policies	Fully implement the Land Board-directed estate unification of cottage sites at Priest and Payette Lakes. Implement the divestiture of cottage sites through the voluntary auction for ownership process. Execute the 2019 Land Board approved plan. Develop a 2024 VAFO plan that outlines the Department's direction after 2024.
2021	Real Estate Services	Trust Land	Ryan Montoya	1-Financial Stewardship	1.2-Trust	Through prioritization of ROW acquisition projects, secure access to 10,000 acres of state endowment trust lands, or 50 miles.
2021	Real Estate Services	Trust Land	Ryan Montoya	1-Financial Stewardship	1.2-Trust	Reinvest the minimum investment as provided in the Acquisition Business Plan that meets the appropriate hurdle rates of 3.5% (timberland) and 4.5% (farmland). Update the Acquisition Business Plan to account for the acquisitions to date.
2021	Real Estate Services	Trust Land	Ryan Montoya	4-Process	4.2-Develop Governance & Policies	Provide area operations staff with updated program procedures that will allow staff to more efficiently and strategically manage endowment lands and enhance revenue production.
2021	Real Estate Services	Trust Land	Ryan Montoya	4-Process	4.1-Enterprise Systems & Security	Develop and implement new Lands and Waterways, Land Information Management System (LW LIMS) - Trimble Landfolio. This system will facilitate strategic management of state endowment trust lands including improvement of administrative process efficiencies, analysis and reporting capabilities, and customer service.

**Idaho Department of Lands**

FY2021-2024 Strategic Plan

FY	Group	Division	Group Leader	Goal	Strategy	Task Description
2021	Real Estate Services	Trust Land	Ryan Montoya	1-Financial Stewardship	1.2-Trust	Execute program level activities that enhance endowment leasing gross revenue through achieving market rates; improving program execution; achieving cost recovery on administrative processes; identification of new marketing and leasing opportunities. Improve the net income ratio of existing assets. Seek Land Board approval of a revised Communications Site Rent Schedule. Review and revise the existing Agriculture Business Plan, cropland leasing rate structure, and cropland leasing template. Execute new leasing opportunities from Agriculture Land acquisitions.
2021	Tech Services	Trust Land	Tom Kearns	4-Process	4.1-Enterprise Systems & Security	Manage, assemble, and distribute required data and processes as requested for LIMS (LRM and Landfolio) specific roll-outs; meet all agreed-upon timelines.
2021	Tech Services	Trust Land	Tom Kearns	4-Process	4.1-Enterprise Systems & Security	Create and configure internal GIS Enterprise Website including datasets, web applications, and Help documents.
2021	Tech Services	Trust Land	Tom Kearns	2-Customer Focused	2.1-External	Release ESRI HUB in coordination with PIOs for external data delivery and information sharing.
2021	Tech Services	Trust Land	Tom Kearns	2-Customer Focused	2.3-Customer Satisfaction	Inter-Disciplinary Team develop and implement Trust Land and Operations Divisions outreach plan to ensure all fields of expertise and areas are visited over a two-year period.
2021	Timber	Trust Land	David Greenwood	1-Financial Stewardship	1.4-Implement Plans & Policies	Develop and improve reports that best meet internal and external customer needs.
2021	Timber	Trust Land	David Greenwood	1-Financial Stewardship	1.4-Implement Plans & Policies	Utilize annual KPI analysis to improve process, procedures, and financial/management decisions.
2021	Timber	Trust Land	David Greenwood	1-Financial Stewardship	1.4-Implement Plans & Policies	Reevaluate sale volume targets by supervisory area after land acquisitions, catastrophic events, and at scheduled FAMP updates.
2021	Timber	Trust Land	David Greenwood	2-Customer Focused	2.3-Customer Satisfaction	Utilize meetings, technology, and appropriate media to prioritize operational and procedural issues for improvement. Includes visits focused on specific issues with personnel from various areas who face similar issues.
2021	Timber	Trust Land	David Greenwood	4-Process	4.2-Develop Governance/Policies	Thorough sale and project review (100% review of sales and projects). Train area staff on project review process to improve submission quality.

## STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Consent Agenda

### Subject

Request to surplus property owned by the Idaho Department of Fish and Game (IDFG).

### Question Presented

Shall the Board direct the Department to offer the Bennett Patrol Site surplus property (Property), including mineral rights, for disposition pursuant to Idaho Code §§ 58-331–335; and authorize the Department to offer the Property at public auction in Elmore or Ada County?

### Background

In a letter dated December 3, 2007, IDFG declared the Property to be surplus to the needs of the agency and requested the State Board of Land Commissioners (Board) dispose of the Property (Attachment 1). On February 17, 2009, the Board directed the Department of Lands (Department) to solicit interest for the disposition of the Property, pursuant to the Surplus Property Act (Act), Idaho Code § 58-331 *et seq.* (Attachment 2).

Pursuant to the Act, custody and control was vested in and the title was transferred to the Department by Warranty Deed No. 416, recorded on September 2, 2009 (Attachment 3). The Department first notified other state agencies, pursuant to Idaho Code § 58-332, to determine interest in purchasing the Property. No state agency expressed interest. The Department then notified and offered the Property to tax supported agencies, including federal, city, and county agencies. No state, federal, or other tax supporting agencies expressed interest in the Property.

An updated request by IDFG to dispose of the Property, including the mineral rights, at public auction was approved at the November 17, 2009 Board meeting (Attachment 4). A public auction was advertised and held at IDFG Headquarters office in Boise on January 21, 2010. No bids were received and the Property failed to sell at public auction.

At the April 20, 2010 Board meeting, the Board approved the sale of the Property as surplus property by means of negotiated sale for adequate and valuable consideration (Attachment 5). Furthermore, a sale price below the appraised value used at auction was approved as outlined in Idaho Code § 58-332(3).

Efforts to dispose of the Property by negotiated sale were unsuccessful and an extended period of inactivity followed. Recently, this Property has been revisited by the Department with the goal of completing the surplus disposition. Upon approval by the Board, the Department will follow the surplus process pursuant to Idaho Code § 58-332.

## **Discussion**

The 2.07-acre Property is vacant land located approximately 1/2 mile north of State Highway 20 and approximately 23 miles northeast of Mountain Home, in Elmore County (Attachment 6). It is square in shape; a tributary of Dixie Creek and a road traverses both sides of the Property (Attachment 7). The parcel was acquired by Warranty Deed by IDFG on September 24, 1942 (Attachment 8), for the purpose of constructing a conservation officer station. The conservation officer station was never constructed and the land has never been used as such.

The Property was originally appraised in September 2008 for a value of \$60,000. Upon review of that appraisal, it was determined that there were a number of inaccuracies that had significant impact on the final appraised value. Legal access to the Property is the most significant attribute that was incorrectly reported. The 2008 appraisal concluded that the Property has legal access; however the Department has been unable to prove legal access to the Property. In consideration of all relevant factors, and to provide a value that accurately reflects the current market conditions, the Property was re-appraised in April of 2020 for \$10,000.

The Property will again be offered to other state agencies. If none are interested, the Property will be offered to other tax supported agencies such as federal, county, and city agencies and units. If no tax supported agencies are interested, the Property will be auctioned to the public in Elmore or Ada County. If there is no bidder at public auction, the Department intends to dispose of the Property by negotiated sale, for adequate and valuable consideration.

Once the proceeds are received at closing, the Department will disburse the funds in accordance with Idaho Code §§ 58-332–333.

## **Recommendation**

Direct the Department to offer the Bennett Patrol Site surplus property, including mineral rights, for disposition pursuant to Idaho Code §§ 58-331–335, and authorize the Department to offer the property at public auction in Elmore or Ada County.

## **Board Action**

## **Attachments**

1. Fish and Game Department Request for Disposal – December 3, 2007
2. Approved Board Memo – February 17, 2009
3. Warranty Deed No. 416
4. Approved Board Memo – November 17, 2009
5. Approved Board Memo – April 20, 2010
6. Vicinity Map
7. Property Map
8. Original Warranty Deed





IDAHO DEPARTMENT OF FISH AND GAME

600 S Walnut / PO Box 25

Boise, Idaho 83707-0025

C.L. "Butch" Otter / Governor

Cal Groen / Director

December 3, 2007

State Board of Land Commissioners

954 West Jefferson Street

P.O. Box 83720

Boise, ID 83720-0050

Dear Sirs:

IDAHO DEPARTMENT OF LANDS

RE: Preliminary Request for Land Sale

The Idaho Department of Fish and Game and its Commission declared as surplus to its needs, the following six properties:

**1. Deep Creek Access Area – 1 acre, Boundary County**

T 61 N, R 1 W, BM.

Sec. 24, a portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$  located as follows: Beginning at a point 1,221.4 feet S and 708.7 feet W from the E $\frac{1}{4}$  corner of Sec. 24, thence following curve of W side US No. 95 southerly to a point which is 50 feet southerly from the junction of Ruby Creek Road and US Highway No. 95 and S 35° W 380 feet from the point of beginning, thence N 82°25' W 140 feet, thence N 17°35' E 105 feet, thence N 38°59' E 95 feet, thence N 25°46' E 195 feet, thence S 73°04' E 190 feet to the point of beginning.

**IDFG Contact Katherine Cousins, 208-769-1414**

## **2. Wolf Lodge Holding Ponds – 12.1 acres, Kootenai County**

T 50 N, R 2 W, BM.

Sec. 21, a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  described as follows:

Beginning at a point which on the S sec. line of Sec. 21 a distance of 835 feet to the SE corner of said SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence N 462 feet; thence W 353 feet; thence N 100 feet; thence S 89°59' W 644 feet to the centerline of Wolf Lodge Creek; thence S 12°59' W following centerline of said creek a distance of 197 feet; thence S 12°01' E a distance of 270 feet; thence S 56°01' E a distance of 184 feet to the point of beginning. Subject to county road right-of-way and right-of-way for a gas pipeline.

**IDFG Contact Katherine Cousins, 208-769-1414**

## **3. Orofino/Grangemont Check Station – 0.99 acres, Clearwater County**

T 37 N, R 2 E, BM.

Sec. 23, that portion of SE $\frac{1}{4}$ NE $\frac{1}{4}$  described as follows: Beginning at a point on the sec. line common to Sec. 23 and 24 at a point 932 feet S from the NE sec. corner of Sec. 23, thence S 26°05' W along centerline of FAS Highway 4782 a distance of 599.5 feet, thence N 63°55' W 49.43 feet to the TRUE POINT OF BEGINNING, thence N 63°55' W 130.57 feet, thence S 26°05' W 330 feet, thence S 63°55' E 131.85 feet, thence N 25°51'40" E 330 feet to the true point of beginning.

**IDFG Contact Katherine Cousins, 208-769-1414**

## **4. Boulder Hole Access Area – 3.53 acres, Idaho County**

PARCEL 1: T22N, R01E, BM, Section 34, Tax No. 89, that part of NENE, which is described as follows: beginning at the NE corner of said Section 34,, thence south 1325.426 feet along the east line of said Section 34, to the north 1/16th corner, a found brass cap, thence N 89°44'10" W, 290.00 feet along the south line on NENE to a found property pin which point is the initial point of beginning, thence N 13°45'00" E, 239.565 feet to a found property pin, thence N 13°33'14" W, 50.00 feet, thence N 4°50'40" W, 144.73 feet, thence N 0°00'03" W 150.00 feet, thence N 88°57'36" W, 100.00 feet to a point the meander line of the Little Salmon River, thence S 4°50'21" W 307.746 feet along said meander line to a found property pin, thence S 33°59'21" W, 115.75 feet along said meander line, thence S 24°27'01" E, 191.528 feet along said meander line to a point on the south line of NENE, thence S 89°44'10" E, 78.37 feet back to the initial point of beginning. PARCEL 2: T22N, R01E, BM, Section 34, Tax No. 27 described as: that part of NENE of Section 34

which is described as follows: Beginning at the NE corner of Section 34, thence south 600.00 feet along the east line of said Section 34 to the initial point of beginning, thence N 90°00'00" W, 257.00 feet to a found ½" property pin, thence S 0°00'03" E, 298.57 feet, thence S 89°40'52" E, 257.00 feet to a point on the east line of S-34, thence N 0°00'00" E, 300.00 feet back to the initial point of beginning.  
**Contact Katherine Cousins, 208-769-1414**

**5. Bennett Patrol Cabin Site – 2.07 acres, Elmore County**

T 1 S, R 8 E, BM.

Sec. 24, that part of the SW¼SE¼ described as follows: Beginning at a point from which the E¼ corner of said Sec. 24 lies N 39°13' E a distance of 2,820 feet, thence S 2°45' W 300 feet, thence N 87°15' W 300 feet, thence N 2°45' E 300 feet, thence S 87°15' E 300 feet to the point of beginning.

**IDFG Contact Steve Elam, 208-324-4350.**

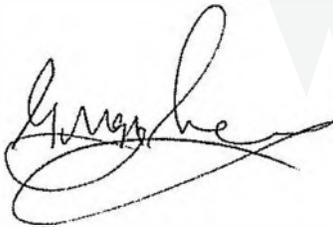
**6. Dingle 40 – 40 acres, Bear Lake County**

T 13 S, R 44 E, BM. Sec. 30, NE¼NW¼.

**IDFG Contact Steve Elam, 208-324-4350**

We hereby request that the above described lands be approved for sale. If you have any questions, please feel free to contact me at 208-287-2713. I thank you in advance for your time.

Sincerely,



Gregg Servheen

Wildlife Program Coordinator

STATE BOARD OF LAND COMMISSIONERS

February 17, 2009

Consent Agenda

SUBJECT

Request to surplus property owned by the Idaho Department of Fish and Game.

DISCUSSION

The Idaho Department of Fish & Game (IDFG), by letter dated December 14, 2007, has requested approval by the State Board of Land Commissioners (Board) to declare the 2.07-acre Elmore Bennett Patrol Cabin site surplus to their needs (Attachment 1). IDFG has made this request pursuant to Idaho Code § 58-331.

The property is a square shaped parcel located approximately ½ mile northwest of Highway 20 and approximately 21 miles northeast of Mountain Home, in Elmore County (Attachment 2 & 3). Access to the property is from an unnamed dirt road via Anderson Dam Road.

The parcel was acquired by Warranty Deed by the State of Idaho Department of Fish & Game on September 24, 1942 for the erection of a conservation officer station (Attachment 4).

There are no improvements on site.

The property was appraised in September 2008 to determine an "as is" market value, which is \$60,000. That is the asking price for the property. Terms of sale would include cash at closing within 45 days of the property auction. An earnest money deposit of \$3,000 will be collected from the purchaser on the date of sale.

The IDFG has notified other state agencies to determine if there is any interest in purchasing this property. None of the other state agencies or counties expressed interest in the property; therefore the IDFG and Idaho Department of Lands propose to sell the 2.07 acre parcel at public auction at the IDFG Southwest regional office pursuant to Idaho Code §58-332.

The purchaser will be expected to pay for sale advertising costs, appraisal fee and deed fees.

The IDFG will also be expected to pay costs incurred by the Idaho Department of Lands to administer the surplus sale process.

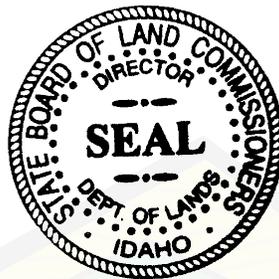
With said property being deemed surplus, the custody and control thereof shall thereupon be vested in, and title be transferred to the State Board of Land Commissioners, subject to disposition by said board pursuant to Idaho Code § 58-331.

RECOMMENDATION

Direct the Idaho Department of Fish and Game to advertise the property for sale and conduct a public auction to dispose of this surplus property.

BOARD ACTION

Approved 2/17/09



ATTACHMENTS

1. IDFG letter December 3, 2007 declaring surplus properties.
2. Bennett Patrol Cabin Site Vicinity Map.
3. Bennett Patrol Cabin Site Topography map.
4. Bennett warranty deed dated September 24, 1942.

Instrument # 409563  
Elmore County, Idaho  
01:09pm Sep.02,2009  
For: STATE OF IDAHO DEPT OF LAND  
No. of Pages: 2 Fee: \$00  
MARSA PLUMMER, Recorder  
Deputy: DLE

ACQ NO. 416

### WARRANTY DEED

**THE STATE OF IDAHO, DEPARTMENT OF FISH & GAME** (hereinafter "Grantor") an agency of the State of Idaho, with its administrative offices located at 600 South Walnut, P. O. Box 25, Boise, Idaho 83707, as Grantor, does hereby convey, grant and warrant, pursuant to Idaho Code sections 58-331 and 58-332, to **THE STATE OF IDAHO, DEPARTMENT OF LANDS**, an executive agency of the State of Idaho, by and through the State Board of Land Commissioners (hereinafter "Grantee") with its administrative offices located at 300 N. 6<sup>th</sup> Street, P. O. Box 83720, Boise, Idaho 83720-0050, as Grantee, the following described premises in **ELMORE COUNTY**, State of Idaho, to wit:

That part of the Southwest Quarter of the Southeast Quarter (SW1/4SE1/4) of Section 24, Township 1 South, Range 8 East, Boise Meridian, Elmore County, State of Idaho described as follows:

Beginning at a point from which the East Quarter corner of said Section 24, Township 1 South, Range 8 East, Boise Meridian which lies North 39°13' East a distance of 2,820 feet,  
thence South 2°45' West 300 feet,  
thence North 87°15' West 300 feet,  
thence North 2°45' East 300 feet,  
thence South 87°15' East 300 feet to the point of beginning.

Containing 2.07 acres more or less.

TO HAVE AND TO HOLD, the said premises, with their appurtenances, unto the said Grantee, and said Grantee's heirs and assigns, forever. And the said Grantor does hereby covenant to and with the said Grantee that the Grantor is the owner in fee simple of said premises; that said premises are free and clear of all liens, judgments, adverse claims, easements or encumbrances except those appearing of record, and except U.S. Patent reservations and restrictions; and that Grantor will warrant and defend the same from all lawful claims whatsoever which do not appear of records as of the date hereof.

Warranty Deed  
Bennett Site  
Page 1 of 2

ATTACHMENT 3

Executed this 27<sup>th</sup> day of August, 2009

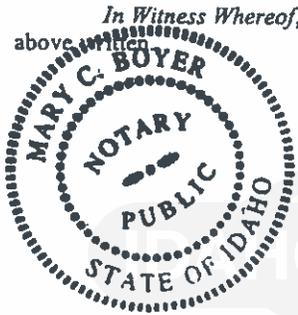
GRANTOR, IDAHO DEPARTMENT OF FISH & GAME:

Cal Groen  
\_\_\_\_\_  
Cal Groen, Director

STATE OF IDAHO }  
County of Ada } ss.

On this 27<sup>th</sup> day of August, in the year 2009, before me, a Notary Public in and for said State personally appeared CAL GROEN, Director of the Idaho Department of Fish & Game, an Agency of the State of Idaho, known or identified to me to be the person whose name is subscribed to the foregoing instrument on behalf of the Idaho Department of Fish & Game, and acknowledged to me that he executed the same on behalf of the Agency.

In Witness Whereof, I have hereunto set my hand and affixed my official seal on the day and year this certificate above written.



Mary C. Boyer  
\_\_\_\_\_

Notary Public residing at: Boise

My Commission Expires: My Commission Expires  
August 31, 2011

IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

November 17, 2009

Consent Agenda

SUBJECT

Updated request on the Bennett property identified as surplus by the Idaho Department of Fish and Game(IDFG) and approved for disposal at the February 17, 2009 Land Board meeting.

DISCUSSION

The IDFG received approval for the disposal of the Elmore Bennett Patrol Cabin site on February 17, 2009. (Attachment 1) The IDFG has requested to dispose of the mineral right with the disposal of the property.

Section 47-701 Idaho Code, was amended in the 2004 legislative session (House Bill No. 510), to grant the Land Board authority to provide an exception for reserving mineral rights from the sale when the surface estate is identified as having "the potential highest and best use for development purposes, such as residential, commercial or industrial purposes."

The property was appraised in September 2008 to determine an "as is" market value, which is \$60,000. That is the asking price for the property. The appraisal has identified the highest and best use of the subject property is for rural residential use. (Attachment 2)

RECOMMENDATION

Direct the Idaho Department of Lands to advertise the property for sale at \$60,000 and conduct a public auction to dispose of this surplus property including the mineral rights.

BOARD ACTION

Approved November 17, 2009



ATTACHMENTS

1. February 17, 2009 Land Board Memo
2. Appraisal Page 7 of 22 - Highest and Best Use

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State Board of Land Commissioners  
Updated Approval Request for Bennett Patrol Cabin Site  
Owned by the Idaho Department of Fish and Game  
November 17, 2009

ATTACHMENT 4

STATE BOARD OF LAND COMMISSIONERS

April 20, 2010  
Consent Agenda

SUBJECT

Request to change disposal method for Idaho Fish and Game Bennett Surplus Property.

DISCUSSION

The Bennett property identified as surplus by the Idaho Department of Fish and Game (IDFG) was approved for disposal at the February 17, 2009, Land Board meeting pursuant to Idaho Code § 58-331 (Attachment 1). An updated request by IDFG to dispose of the mineral rights with the disposal of the property was approved at the November 17, 2009, Land Board meeting pursuant to Idaho Code § 47-701 (Attachment 2).

The property was advertised and an auction was held on January 21, 2010. There was only one registered bidder at the auction who chose not to bid and was unwilling to pay the appraised minimum selling price of \$60,000.

In a letter to the Idaho Department of Lands (IDL) dated March 31, 2010, IDFG requested approval to enter into negotiations with interested parties (Attachment 3). After further discussions with IDL, IDFG requests the authority to utilize any disposal method as outlined in Idaho Code § 58-332(3) that states, "If the property does not sell at public auction, the board may have the property appraised and enter into negotiations with any party(s) to effect disposition of the property for adequate and valuable consideration. Sale may be by any method that will help dispose of the property including, but not limited to, direct negotiations with interested parties, use of advertising, hiring real estate agents and public auction."

IDFG is also requesting the ability to negotiate below the appraised value used at the public auction. Local market land values and area property sales will be considered to ensure the disposition of the property is for adequate and valuable consideration.

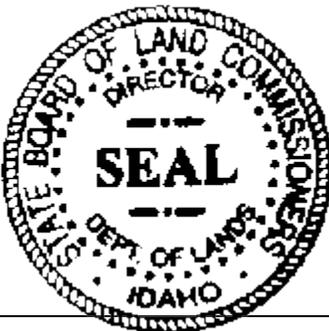
Department staff plans to advertise the availability of the parcels on IDL and Gem State Prospector websites, on-site for sale signs, and local realtor contacts to help generate additional interest in the property.

RECOMMENDATION

Direct the Department to proceed with the disposal of the surplus property by any of the methods authorized by Idaho Code § 58-332(3), including negotiating below the appraised value.

BOARD ACTION

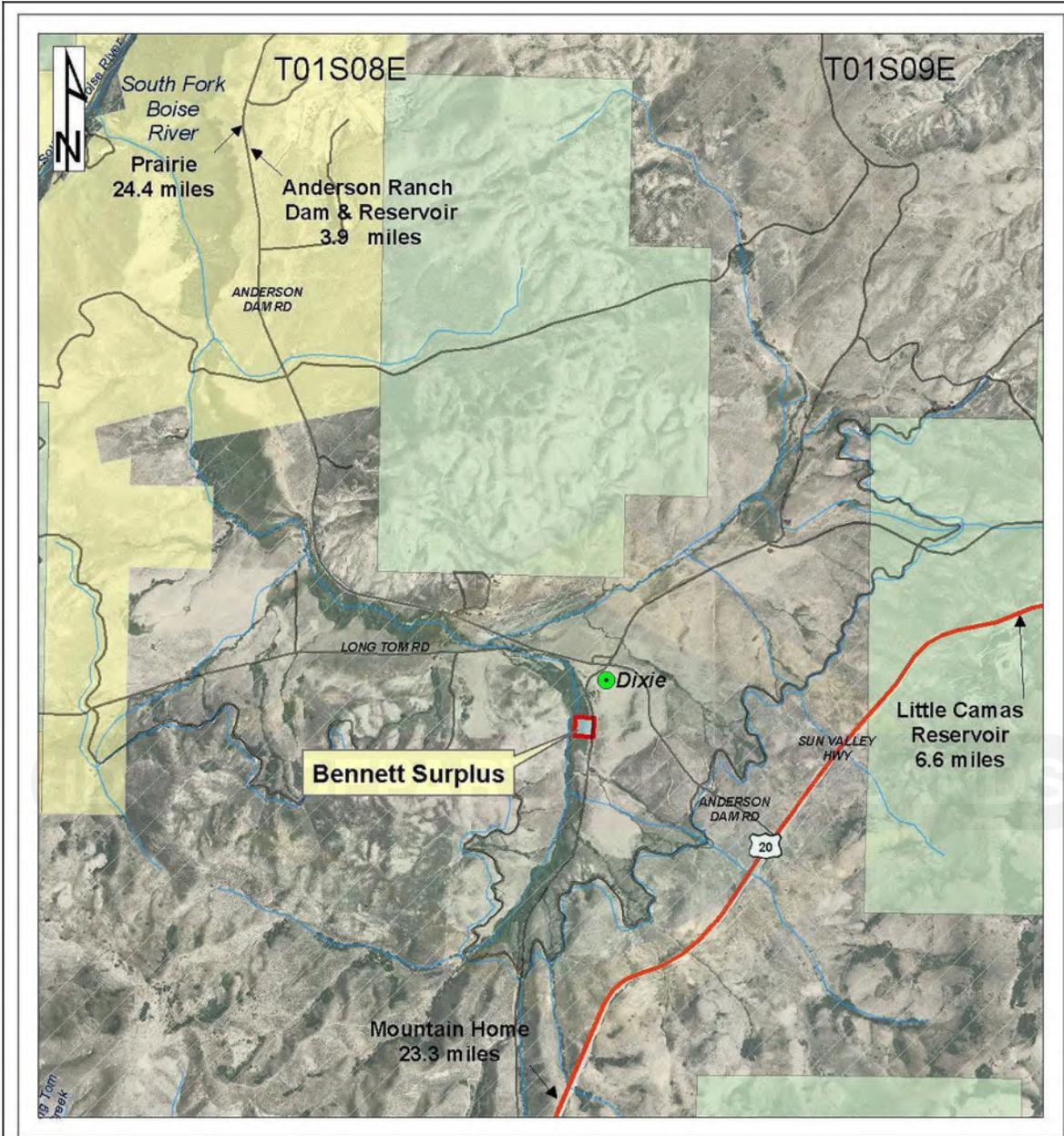
APPROVED 4/20/10



## ATTACHMENTS

1. February 17, 2009, Memo to Board of Land Commissioners (Approved)
2. November 17, 2009, Memo to Board of Land Commissioners (Approved)
3. March 31, 2010, IDFG Letter



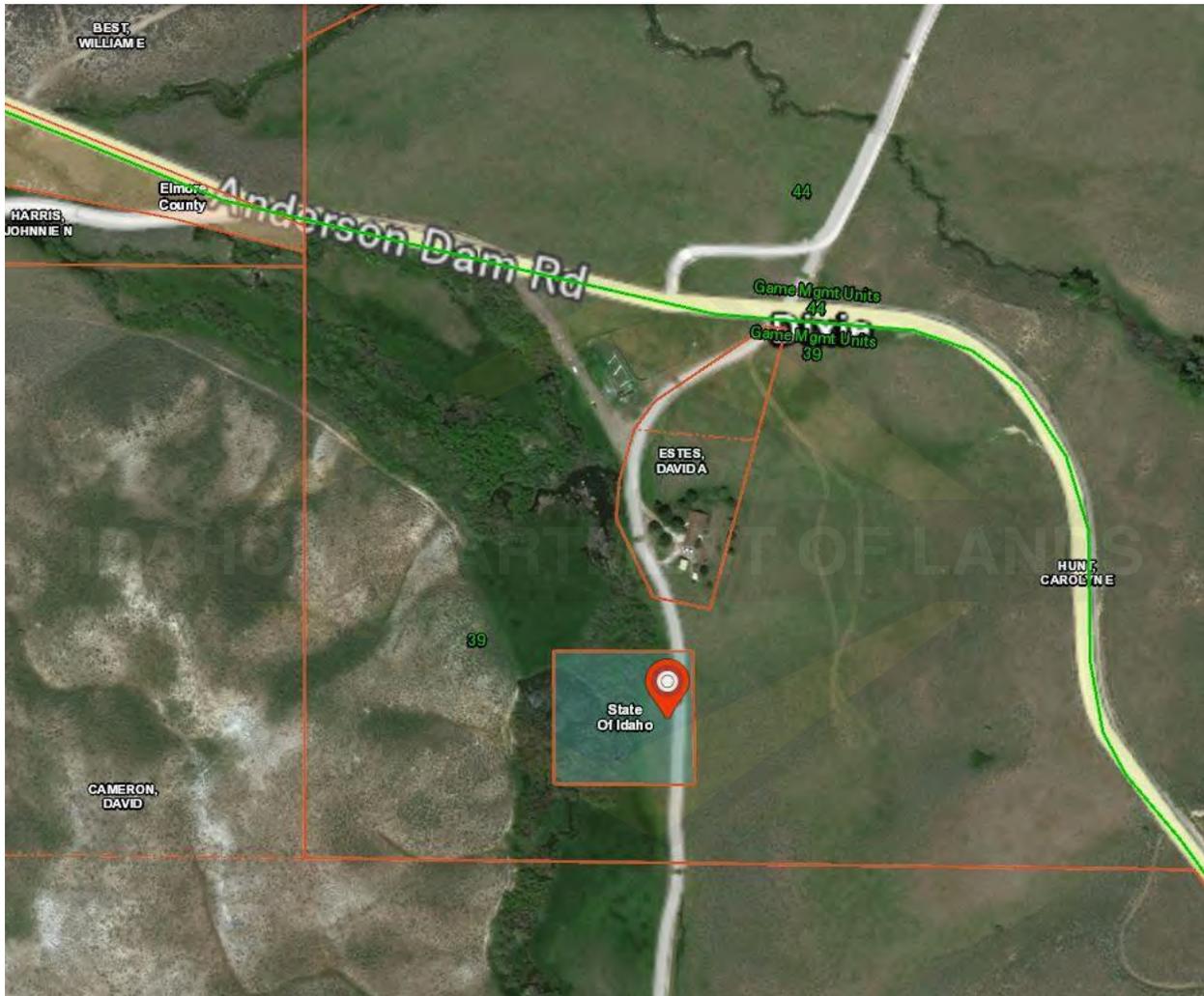


<b>Legend</b>		<b>Bennett Surplus</b>	<b>Map Notes</b>
Bennett Surplus	State - Other	<b>Vicinity Map</b>	Projection: Idaho Transverse Mercator, NAD 27
Streams and Rivers	BLM	08/12/2009	Map Notes and Data Sources
	BOR	Scale 1:24,500	Imagery - NAIP 2006
	USFS		IDL Ownership current as of map date
	Private		Mileage calculated using Google Maps
			<b>Disclaimer:</b>
			This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.

\\blse10\GIS\_PROJECTS\Bureau\Real\_Estate\Fish And Game\Surplus Priority Sales\BennettSite.mxd ibooker-lair 08/11/2009

# BENNETT PATROL SITE

A portion of the SW1/4SE1/4, Section 24, Township 1 South, Range 8 East



THIS INDENTURE, Made this 24th day of September in the year of our Lord one thousand nine hundred and forty-two between Louisa McFarney, a widow of Bennett, County of Blaine State of Idaho, the party of the first part, and State of Idaho, Department of Fish & Game of Boise, Idaho, County of Ada State of Idaho, the party of the second part:

WITNESSETH, That the said party of the first part, for and in consideration of the sum of One Hundred Fifty-five and 25/100 DOLLARS, lawful money of the United States of America, to her in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain, sell, convey and confirm unto the said party of the second part, and to its heirs and assigns forever, all the following described real estate, situated in the County of Blaine State of Idaho, to-wit: That portion of the SW 1/4, Section 24, Township 1 So., Range 5 E., B.M., beginning at corner number 1, the same being 2,520 feet South 39°13' West of the 1/4 corner common to Section 24, Township 1 South, Range 5 East, and Section 19, Township 1 South, Range 9 East, thence South 2°45' West 300 feet to corner number 2, thence North 87°15' West 300 feet to corner number 3, thence North 2°45' East 300 feet to corner number 1, the place of beginning, containing approximately 2.07 acres.

*Rec. Mary J. Glass*

TOGETHER With all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all estate, right, title and interest in and to the said property, as well in law as in equity, of the said party of the first part:



# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Consent Agenda

## Subject

Request to declare and dispose of surplus property (Property, as defined below) owned by the Military Division of the State of Idaho.

## Question Presented

Shall the Board execute the acknowledgement of the Corrected Quitclaim Deed for the Property?

Shall the Board direct the Department to offer the Property, which is adjacent to the Jerome Readiness Center, for disposition in accordance with the Surplus Property Act, Idaho Code §§ 58-331–335; and authorize the Department to offer the Property at public auction in Jerome or Ada County?

## Background

The Idaho Military Division (Military) requested State Board of Land Commissioners (Board) approval on January 8, 2020, to declare its undivided one-half interest in a portion of property adjacent to the Jerome Readiness Center (Readiness Center) located in Jerome, Idaho as surplus property pursuant to the Surplus Property Act, Idaho Code §§ 58-331–335. (Attachment 1).

The surplus property (Property) consists of 0.52 acres of unimproved land located adjacent to Blocks 69 and 70, "Jerome Townsite" in the SW¼SE¼ of Sec. 13, Township 8 South, Range 16 East, Boise Meridian, in Jerome County (Attachments 2 and 3). Direct legal access to the Property is from N Fir Street. The Property is currently being used by an adjacent business, Franklin Building Supply (FBS) for parking and storage. FBS and the Military have a Memorandum of Understanding (MOU) in place which allows FBS use of the property.

The State of Idaho (Military) acquired the Property by Quitclaim Deed on April 5, 2019 (Attachment 4). The Property was originally platted as a road, to be named "First Avenue West" in the Jerome Townsite; however, that portion of First Avenue West was never constructed or used as a public roadway. The City of Jerome (City) vacated said portion of First Avenue West and issued said Quitclaim Deed to transfer the Property and all rights and interests, with exception of the reservation of an easement to maintain an existing sewer line and existing irrigation main line. Subsequent title investigations indicated that Jerome County was also entitled to an undivided one-half interest in the vacated road or Property because Jerome County owns an undivided one-half interest in the Readiness Center. The City inadvertently omitted Jerome County's undivided one-half interest in the Property in the Quitclaim Deed. After being notified of the discrepancy, the City prepared and executed

a Corrected Quitclaim Deed which transfers an undivided one-half interest in the Property to the State (Land Board) and Jerome County. In order to correct the erroneous Quitclaim Deed of April 5, 2019, it is necessary for the Board to consent to and execute the Corrected Quitclaim Deed, which acknowledges Jerome County's interest and the validity of the Corrected Quitclaim Deed (Attachment 5).

The Property lies outside of the fenced Readiness Center and has never been used by the Military. The Military has determined that there is no practical use for the Property and there would be no benefit in incorporating it into the existing Readiness Center. The Property has historically been used by FBS for parking and storage. When the State took ownership of the Property, an MOU was executed between FBS and the Military which allows FBS to use the Property.

The Property was appraised in July 2019 and has an "as is" market value of \$57,000. The value of the State's (Military) undivided one-half interest is \$28,500. The appraised value does not include any improvements. The Property will be offered for the appraised value. Jerome County, as indicated in an email from Chairman Charles Howell, plans to pursue the purchase of the Military's undivided one-half interest in the Property (Attachment 6). The Department must follow the Surplus Property Act for the Property's disposition and will engage in the notification process described below.

## **Discussion**

Pursuant to Idaho Code § 58-332, the Idaho Department of Lands (Department), on behalf of the Board, will notify other state agencies to determine if any of them are interested in purchasing the Property. If no other state agencies express interest in the Property, the Department will offer the Property to tax-supported agencies, including federal, city, and county agencies, to determine if there is any interest in purchasing it. If no tax-supported entity expresses interest, the Department will offer the Property at public auction in Jerome or Ada County. If the Property does not sell at auction, the Department will advertise the Property and accept adequate and valuable consideration in a negotiated sale.

Terms of the sale will include cash at closing within ninety (90) days from execution of a purchase and sale agreement or auction. An earnest money deposit of five percent (5%) of the appraised value will be collected from the purchaser on the execution of the purchase and sale agreement or auction. The purchaser will be expected to pay all closing, recording, and deed fees and any other costs or fees as agreed to by the Military.

## **Recommendation**

Execute the acknowledgement of the Corrected Quitclaim Deed for the Property.

Direct the Department to offer the Property adjacent to the Jerome Readiness Center for disposition in accordance with the Surplus Property Act, Idaho Code §§ 58-331–335; and authorize the Department to offer the Property at public auction in Jerome or Ada County.

## **Board Action**

### **Attachments**

1. Idaho Military Division letter dated January 8, 2020
2. Jerome Readiness Center, Property Map
3. Jerome Readiness Center, Record of Survey
4. Quitclaim Deed dated April 5, 2019
5. Corrected Quitclaim Deed
6. Jerome County Commission Chairman email dated June 16, 2020





**IDAHO NATIONAL GUARD  
CONSTRUCTION FACILITIES MANAGEMENT OFFICE**

4715 South Byrd Street, Bldg 518  
Boise, Idaho 83705-8095



January 8, 2020

Idaho State Board of Land Commissioners  
954 West Jefferson Street  
P.O. Box 83720 Boise, ID 83720-0050

To Whom it may Concern,

The Military Division of the State of Idaho declares as surplus to its needs the following property: 0.52 acres of land to include the real property on site located at a portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite" in the SW¼ SE¼ of Sec. 13, Township 8 South, Range 16 East, Boise Meridian Jerome County.

We hereby request that the above described lands be approved for sale. If you have questions, please feel free to contact me at 208-272-3728 or email me at [lee.d.rubel.mil@mail.mil](mailto:lee.d.rubel.mil@mail.mil).

Sincerely,

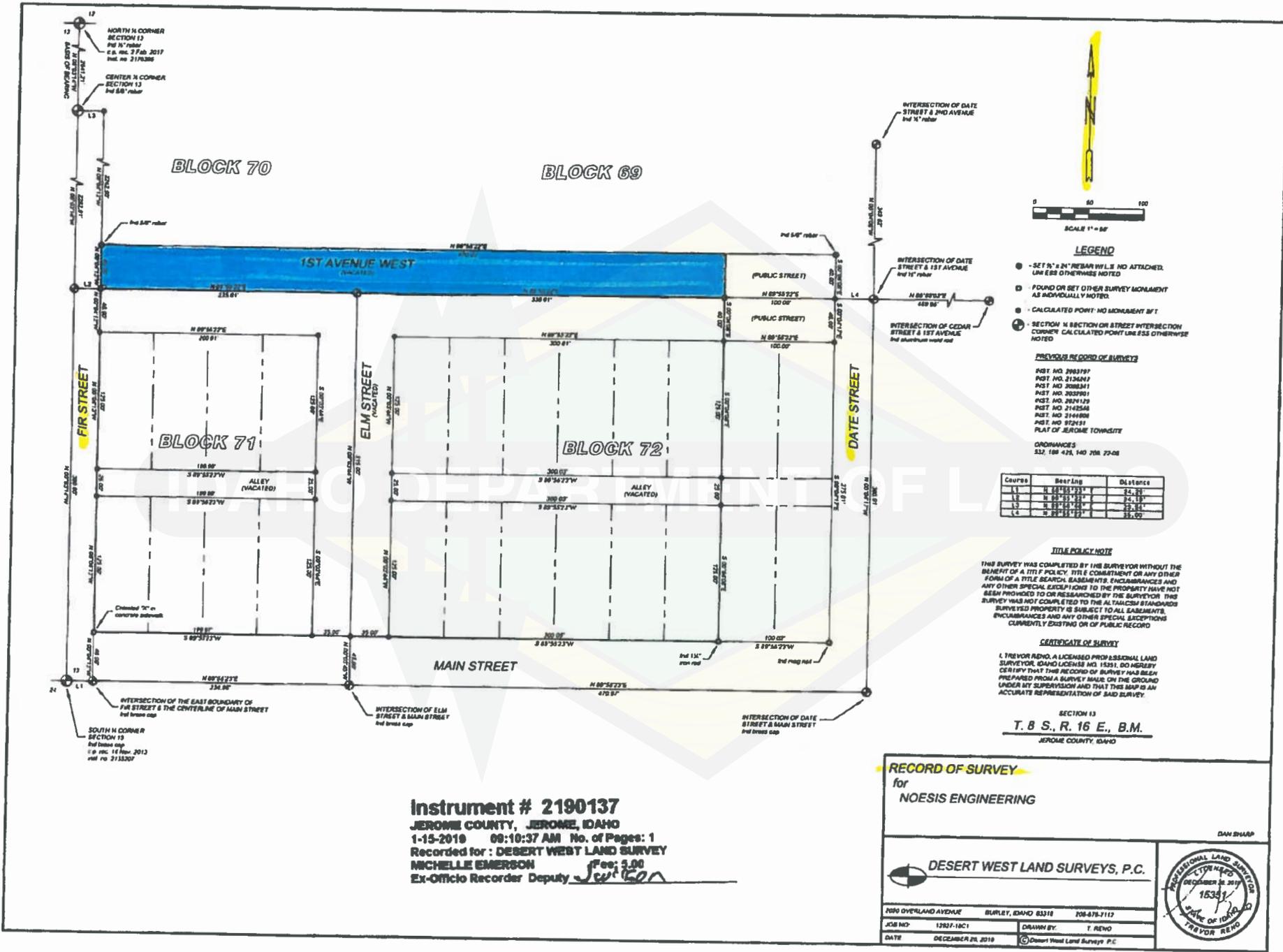
A handwritten signature in blue ink, appearing to read "Lee D. Rubel".

Lee D. Rubel  
Lieutenant Colonel, Idaho Army National Guard  
Construction Facility Management Officer

3 Encls

1. Property Map
2. Record of Survey
3. Quit Claim Deed dated 5 April 2019





**Instrument # 2190137**  
 JEROME COUNTY, JEROME, IDAHO  
 1-15-2019 09:10:37 AM No. of Pages: 1  
 Recorded for: DESERT WEST LAND SURVEY  
 MICHELLE EMERSON Fee: 5.00  
 Ex-Officio Recorder Deputy *J. Wilson*

QUITCLAIM DEED

FOR VALUE RECEIVED, the CITY OF JEROME, an Idaho municipal corporation, hereinafter called the "Grantor", hereby remises, releases, and forever quitclaims unto STATE OF IDAHO, a body politic, whose address is 9222 W. Barnes Dr., Boise, ID 83709, hereinafter called the "Grantee", all its right, title and interest in the following described premises located in Jerome County, Idaho, to wit:

A portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite," in the SW1/4SE1/4, Section 13, Township 8 South, Range 16 East, Boise Meridian, Jerome County, Idaho; being more particularly described as follows:

Commencing at the Southwest corner of Block 70, and being the REAL POINT OF BEGINNING.

Thence East 570.00 feet along the Southerly boundary of Blocks 70 and 69 to the Southeast corner of Lot 14, Block 69.

Thence South 40.00 feet in a straight line to a point that is 1/2 the distance between the Southeast corner of Lot 14, Block 69 and the Northeast corner of Lot 3, Block 72, "Jerome Townsite."

Thence West 570.00 feet along a line that is 1/2 the distance between the Southerly boundaries of blocks 69 and 70 and blocks 72 and 71, "Jerome Townsite."

Thence North 40.00 feet along the Westerly boundary of block 70 to the REAL POINT OF BEGINNING.

The City of Jerome reserves an easement over, across and under the foregoing described real property for the purpose of maintenance, repair, replacement and improvement of an existing buried sewer line and a buried irrigation main line.

TO HAVE AND TO HOLD the premises, with their appurtenances unto said Grantee, and the Grantee's successors and assigns forever.

DATED this 5<sup>th</sup> day of April, 2019.

"GRANTOR"  
The City of Jerome

By: David M. Davis  
DAVID M. DAVIS, Mayor  
As Authorized by Resolution No. 22-06 of the City of Jerome



**CORRECTED  
QUITCLAIM DEED**

This Corrected Quitclaim Deed is recorded to correct Instrument No. 2191475, recorded in the records of Jerome County, Idaho, on the 8<sup>th</sup> day of April, 2019, by clarifying that the subject real property is owned in equal, undivided interests by the State of Idaho and Jerome County.

FOR VALUE RECEIVED, the **CITY OF JEROME**, an Idaho municipal corporation, hereinafter called the "Grantor", hereby remises, releases, and forever quitclaims unto **STATE OF IDAHO**, a body politic, whose address is 300 N. 6<sup>th</sup> Street, Suite 103, Boise, ID 83702, an undivided one-half interest, and unto **JEROME COUNTY**, a political subdivision and one of the organized counties of the state of Idaho, whose address is 300 North Lincoln, Jerome, ID 83338, an undivided one-half interest, hereinafter called the "Grantees", all its right, title and interest in the following described premises located in Jerome County, Idaho, to wit:

A portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite," in the SW1/4SE1/4, Section 13, Township 8 South, Range 16 East, Boise Meridian, Jerome County, Idaho; being more particularly described as follows:

Commencing at the Southwest corner of Block 70, and being the REAL POINT OF BEGINNING.

Thence East 570.00 feet along the Southerly boundary of Blocks 70 and 69 to the Southeast corner of Lot 14, Block 69.

Thence South 40.00 feet in a straight line to a point that is ½ the distance between the Southeast corner of Lot 14, Block 69 and the Northeast corner of Lot 3, Block 72, "Jerome Townsite."

Thence West 570.00 feet along a line that is ½ the distance between the Southerly boundaries of blocks 69 and 70 and blocks 72 and 71, "Jerome Townsite."

Thence North 40.00 feet along the Westerly boundary of block 70 to the REAL POINT OF BEGINNING.

The City of Jerome reserves an easement over, across and under the foregoing described real property for the purpose of maintenance, repair, replacement and improvement of an existing buried sewer line and a buried irrigation main line.

TO HAVE AND TO HOLD the premises, with their appurtenances unto said Grantee, and the Grantee's successors and assigns forever.

DATED this 13<sup>th</sup> day of May, 2020.

"GRANTOR"  
The City of Jerome

By: David M. Davis  
DAVID M. DAVIS, Mayor  
As Authorized by Resolution No. 22-06 of the City of Jerome



This Quitclaim Correction Deed is consented and agreed to by the State of Idaho.

IN WITNESS WHEREOF, Grantee, the State of Idaho, hereby executes this instrument this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Governor of Idaho and President of the  
State Board of Land Commissioners

COUNTERSIGNED:

\_\_\_\_\_  
Secretary of State

\_\_\_\_\_  
Director, Department of Lands

STATE OF IDAHO )  
                          ) ss.  
County of Ada     )

On this \_\_\_\_ day of \_\_\_\_\_, in the year 2020, before me a Notary Public in and for said State, personally appeared **BRAD LITTLE**, known to me to be the Governor of the State of Idaho and President of the State Board of Land Commissioners, and **LAWRENCE E. DENNEY**, known to me to be the Secretary of State of the State of Idaho, and **DUSTIN T. MILLER**, known to me to be the Director of the Department of Lands of the State of Idaho, who executed the said instrument and acknowledged to me that such State of Idaho executed the same.

\_\_\_\_\_  
Notary Public for the State of Idaho  
Residing at: \_\_\_\_\_  
My Bond expires: \_\_\_\_\_

## Zane Lathim

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**From:** Charlie Howell <chowell@co.jerome.id.us>  
**Sent:** Tuesday, June 16, 2020 1:41 PM  
**To:** Zane Lathim  
**Cc:** Michael Dick  
**Subject:** property acquisition

Zane, Jerome County would like to purchase IDL's half of the road easement discussed in earlier e-mails and phone conversations. This would pertain to the 40 foot right of way between Franklin building supply property and the current National Guard armory at Jerome County fairgrounds. Thank you for your consideration—Charles M Howell Jerome County Commission Chair

The logo for the Idaho Department of Lands is centered on the page. It features a stylized mountain range in the background, with a central diamond shape containing a green field and a yellow field. Overlaid on this is a horizontal banner with the text "IDAHO DEPARTMENT OF LANDS" in white, uppercase letters.

IDAHO DEPARTMENT OF LANDS



## **Idaho State Board of Land Commissioners**

Brad Little, Governor and President of the Board  
Lawrence E. Denney, Secretary of State  
Lawrence G. Wasden, Attorney General  
Brandon D Woolf, State Controller  
Sherri Ybarra, Superintendent of Public Instruction  
Dustin T. Miller, Secretary to the Board

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*Be it remembered, that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.*

Draft Minutes  
State Board of Land Commissioners Regular Meeting  
July 21, 2020

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, July 21, 2020 in the State Capitol, Lincoln Auditorium WW02, 700 W Jefferson Street, Boise, Idaho. The meeting began at 9:17 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little  
Honorable Secretary of State Lawrence Denney  
Honorable Attorney General Lawrence Wasden  
Honorable State Controller Brandon Woolf  
Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, all Board members were present. Director Dustin Miller joined the meeting via teleconference.

A motion was made by Attorney General Wasden to amend the agenda to remove the discussion of the Owyhee Initiative, item number 6. Attorney General Wasden explained that a couple of legal issues have been raised and need to be resolved before the Land Board considers this item. There being no objection to this unanimous consent request, Governor Little directed the item to be removed.

A second motion was made by Attorney General Wasden to amend the agenda to move item number 7, Alternative Use of Land Bank Funds, from the Information Agenda to the Regular Agenda. Attorney General Wasden indicated that he intends to make a motion directing the Department to examine a specific issue regarding Land Bank funds. Controller Woolf remarked that it would be helpful to have materials on this agenda item but stated that for the Attorney General's purposes, he supports the motion. There being no objection to this unanimous consent request, Governor Little directed item 7 to be moved from the Information Agenda to the Regular Agenda.

**1. Department Report** – Presented by Dustin Miller, Director

**Trust Land Revenue**

- A. Timber Sales – June 2020
- B. Leases and Permits – June 2020

**Discussion:** None.

**Status Updates**

- C. Fire Season Report

**Discussion:** Attorney General Wasden noticed, in the graph concerning fire season comparison, a trend for an increase in the number of human-caused fires. Attorney General Wasden wondered what kind of educational means the Department is undertaking to try and reduce the number of human-caused fires. Director Miller replied the Department has a wide-ranging prevention program. The Department's fire prevention officer and other team members are very diligent in educational outreach and ensuring that folks understand they need to be careful with fire. Social media is an important tool that staff has been using extensively; much of the public tracks the Department's social media, as well as the public web pages. The majority of online searches are related to fire. The Department tracks fuel moisture and fuel conditions and if warranted will go into fire restrictions. The Department is very deliberate and diligent in fire prevention messaging.

- D. Land Bank Fund

**Discussion:** None.

**2. Endowment Fund Investment Board Report** – Presented by Chris Anton, EFIB Manager of Investments

- A. Manager's Report
- B. Investment Report

**Discussion:** Mr. Anton reported the fund was up 2.4% for the month of June and up 5.2% fiscal year-to-date. Looking at the major components of the portfolio, equities were up 4.4%, real estate 5.6%, and fixed income 6.5% during the year. The fund exceeded its blended benchmark by 0.4%. Mr. Anton highlighted a few characteristics of the portfolio that took place during the year. It was a year of extreme volatility; the portfolio was up 9.8% February 19th, down 18.5% March 23rd, and at end of year up 5.2%. Fiscal markets rebounded much more quickly than the global economy, primarily from Federal Reserve support and other central banks, stimulus programs, and optimism the future will be brighter, as economies begin to reopen and people return to work.

Mr. Anton highlighted the volatility because it is driven by fund asset allocation, which is reflected in both the EFIB and the Land Board investment policies. At 66%, the fund has a higher allocation than most peers. The reason for the asset allocation is it has really provided significant long-term benefits for the beneficiaries, and it has driven returns. Mr. Anton noted the reserves that the Land Board put in place have afforded the fund the ability to take that risk and withstand this type of volatility. Mr. Anton also emphasized that growth-oriented equities significantly outperformed value-oriented equities in the portfolio. One large cap value manager for example, Sands, was up 33.2% during the year, while two value managers, LSV and Boston Partners, were down 9%. This huge disparity of 42% reflects the dispersion seen in the market.

Some industries did very well in this environment while others are still impaired by COVID-19. The technology firms—Amazon—that are doing business online and companies like Zoom have had outstanding performance this year; whereas the banks, industrials, retail, utilities, energy companies, have all struggled to return to their kind of normal in this environment.

Mr. Anton recognized outstanding performance by active managers. There is often a debate in the investment world between going all passive and all active; the fund has a blend. The fund's total costs to manage the portfolio were about 0.39% of the portfolio. Costs could certainly be reduced if the fund was all indexed, but this year the huge benefit that active management can play has been seen. Many active managers exceeded benchmarks by a large percentage: WCM beat its benchmark by 20.6%, Barrow Hanley 12.1%, Eagle 10.7%, Sands 9.4%, Sycamore 6.1%, Wellington 4.6%, Fiera 3.7%, and Times Square 2.7%. Active management has paid off this year.

Mr. Anton mentioned that real estate had a solid year, up 5.6%. Certain sectors have started to see reductions in their appraised value, specifically retail and some of the office areas that have been affected by COVID-19. But the low interest rate environment has kept retail values fairly solid. The fund also benefited from the cash flow provided by its real estate investments. EFIB does anticipate some modest reduction in the value of private real estate funds; public REIT markets have been impaired more significantly than the private markets. Mr. Anton noted that fixed income benefitted by the drop in interest rates seen during the year but also, particularly in March, experienced credit widening on all but the safest type of fixed income. If not for the Federal Reserve stepping in and buying a significant amount of bonds—the Fed grew its balance sheet from about \$4 trillion to \$7.2 trillion—there would have been much greater pain in the credit markets. A good year, in terms of fixed income and the overall portfolio. Mr. Anton said a modest increase in beneficiary distributions is anticipated in Fiscal 2022. The fund will be fully reserved at fiscal year-end. EFIB will present its recommended distribution and transfer request at the August Land Board meeting.

Mr. Anton imparted that EFIB has nearly completed implementation of the new allocation for the State Insurance Fund portfolio. Mr. Anton thanked Chris Halvorson for doing much of the heavy lifting. The new allocation should enhance the returns going forward. Insurance companies can only have 15% in equity, most of their exposure is in fixed income. With rates extremely low, EFIB has looked for ways to enhance those yields without taking on significantly more risk. Mr. Anton shared that the next Land Board Audit Committee meeting will be on August 12th, the EFIB board meeting on the 13th, and then the following week is the Land Board meeting.

Attorney General Wasden referred to the volatility seen in the U.S. market, and in the world market, and the rebound on that. The fund was up 9.8%, then down 18.5%—huge swing there—then up 7.6% and ended fiscal year-to-date at 5.2%. Attorney General Wasden commented that recovery is actually faster than the world market, which is lagging behind somewhat. It seems likely, in that circumstance, to have some stocks over-valued or perhaps under-valued, and there will be some kind of a market correction. Attorney General Wasden said he realizes that predicting what is going to happen in the marketplace is an impossibility, but asked Mr. Anton for his thoughts on that market correction. Mr. Anton responded that through yesterday [July 20] the fund is up 3.4%. The market continues to have this rebound. Again, part of it is that equity valuations are high because money cannot be made in fixed income. The yield on the 10-year Treasury is 0.6%; the two year is 0.15%. People are rushing into equities because there is a sense the market is coming back. But the economy has not rebounded as quickly. Some financial

experts have argued equities are over-valued right now, and it would not be surprising to see some pullback, as the nation continues to work through the health issues, and develop a vaccine, and put people fully back to work. Mr. Anton stated it is fair to say that the equity values are a bit ahead of the financial markets, are a bit ahead of the true economy. Financial markets are forward looking: six, to nine months, to a year ahead. Some volatility in the next several months would not be surprising, but by next fiscal year-end hopefully markets will be in a healthy place.

Governor Little observed that there is not a competition between the Endowment Fund and PERSI, but if the Endowment Fund Investment Board got the same return rate this year as PERSI —admittedly they have a different benchmark—EFIB would have \$49 million less. That's 2.1% times \$2.34 billion. Governor Little thanked the Investment Board and EFIB staff for a great job.

### Consent—Action Item(s)

- 3. Disclaimer of Interest Request DI600301-Phillips Family LTD Partnership, Boise River** – Presented by Mick Thomas, Division Administrator Minerals, Public Trust, Oil and Gas

**Discussion:** None.

**Recommendation:** Direct the Department to issue a disclaimer of interest for three parcels totaling 14.051 acres of the former bed of the Boise River and to require Phillips Family LTD Partnership to pay the remaining processing fee of \$300 to the Department for this transaction.

- 4. Dredge/Placer Permit Amendment P800352, Kirtley Creek Mining LLC** – Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance

**Discussion:** None.

**Recommendation:** Approve issuance of the attached permit subject to the plan submitted in the application, submission of a minimum bond amount of \$4,050, and compliance with IDAPA 20.03.01 Rules and Regulations Governing Dredge and Placer Mining Operations in Idaho.

- 5. Approval of Draft Minutes** – June 16, 2020 Regular Meeting (Boise)

**Consent Agenda Board Action:** A motion was made by Attorney General Wasden that the Board adopt and approve the Consent Agenda. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

### Regular—Action Item(s)

- 6. Alternative Use of Land Bank Funds<sup>1</sup>**

*[Editor's note: Due to duration, the Discussion portion of these minutes is written in first-person format. These are not verbatim notes.]*

**Discussion:**

**Attorney General Wasden:** Thank you very much, Governor. I'm going to start by telling the Board what I'm asking for today and then I will talk about why I'm asking for that. What I'm

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<sup>1</sup> By unanimous consent action, this item moved from Information Agenda to Regular Agenda.

asking for, and I'll be making a motion at the appropriate time, to direct the Department to examine an issue. That issue is whether the funds that we have acquired over the last number of years by selling parcels of residential real estate could be put to the use of acquiring a prison and leasing that prison to the State of Idaho. The reason I suggest this is a confluence of a couple of issues. First, we saw today on our land bank aging report, those moneys are coming due to be spent or go into the permanent fund. We have a limited time window. In addition, when you and I, Governor, sat on the reinvestment committee, one of the things that Mr. Anton talked about was that a number of states are investing in infrastructure. I thought, how can we invest in infrastructure in that way? What it does is provide a stable level of income, which is what the timber has done for us in our portfolio. It's also what the cottage sites did. We weren't getting the return we should have off them, but it was steady income. And that allows us, as Mr. Anton said today, to make more aggressive kinds of investments in our securities market. We have here a once in a lifetime opportunity, once in a lifetime in perpetuity of the Land Board, to take a look at the monies that we now have and to determine whether it would be an appropriate investment in infrastructure to build a prison, for example, or perhaps a county jail, and to alleviate another problem that the state has. It's not really that purpose, but can we make this appropriate investment? Now, in order for that to happen, we would have to have an analysis of all of the financials. That is, that this would have to work out. I've just done some preliminary work; it's not hard numbers at all. According to the U.S. Department of Prisons, it costs somewhere between \$99 million and \$160 million to build a prison. Our money is in that range. In addition, there are going to be a number of legal issues that have to be addressed, and we would need good, solid answers. It doesn't make sense to put these monies at risk, regarding legal issues. And in addition, we would have to have an analysis of what the practical impacts of this would be, and how we could do this appropriately. We have to expand our mind a little bit to say okay, how about, if prison won't work or will work, what about county jails? Will that work? Given that whole context, I thought perhaps we need to think outside the box and yet stay within the confines of our constitutional mandate. I think that with this unique opportunity, we should ask the Department to do the analysis that addresses the financials, the legal, and the practical issues, and make an affirmative decision, one way or the other, about whether that would be a viable option. Maybe it is, maybe it isn't. We ought to at least take a look at it and have the Department do the analysis. That is what I am proposing.

**Controller Woolf:** Thanks, General, for that. Thank you, Governor. A question would be—where the Land Bank reinvestment subcommittee just met and brought forth to this Board, and asked the Department to review a pipeline—trying to understand how this follows and fits with all that, and with Callan, their approach. I'm just trying to get a full understanding. That's maybe where you're looking for the Department then to confirm or to identify all aspects of how does this look where we were looking at other potential investments? What is in the pipeline? What type of timeframe are you looking at for all this? Those are several questions; I'll stop there and pause.

**Attorney General Wasden:** Governor, and Mr. Controller, I'll answer the questions, two basic groups of questions. One of them is how does this fit with what the reinvestment subcommittee did and the whole analysis of what do we do with those monies? That's basically one question. I think that it's entirely consistent because what we're trying to look

for here is what's the best way to use this money? Callan has suggested some things, in terms of our specific portfolio, and it said timber works. Well, timber does work. We have to take that into account. But is there something else that would work as well? That's what I'm asking for. What are the alternatives to that? That's why I'm saying, think outside the box but stay within the confines of the Constitution. I see this as completely harmonious with what we have asked the Department to do. The second question you asked basically was what is the timing of this? I don't know that I have the ability to determine what the timing is. I think the Department should determine what that timing is because they're going to be presenting to us the alternatives. And it's part of what they are going to be presenting to us that I'm asking for. That answers the two major questions that you're posing.

**Controller Woolf:** Kind of taking that, then, if I understood you correctly, is the overall investment as a whole for the Department to review timber, this proposal, or whatever else overarching, and where does that all fit?

**Attorney General Wasden:** The answer to that question is yes.

**Governor Little:** General, thank you. Our discussion, for the other members of the Land Board, on our reinvestment, was a binary choice, timber or kind of the endowment fund. This is, and I want to really thank the Attorney General, this is a bit of an outside the box, rather than a binary choice. A lot of the investment community, both nationally and globally, is looking for this kind of opportunity. The question to us is our number one responsibility, representing the beneficiaries, can we get over the hurdle rate? And this is a different hurdle rate than the one that we have with our binary choice because of the incredible security of this investment. The risk in this is we're basically paying our self. I look at this as a win for beneficiaries, a win for the state, and a win for social justice. I'll take off my Land Board member hat and put on my Governor hat; the fact that we have to send prisoners out of state right now is not in the interest of the State of Idaho. But that can't cloud our analysis. We need to look at the return. We need to look at the security. We need to look at the constitutional obligation. General, the only thing I would suggest is this might be a little outside of the expertise of the Department because we're looking at alternative investments. I think there's probably some current people in the business community, some bankers that might be able to look at this from a higher level than the binary choice we have. I can't specifically say who that might be. Actually some of the members of Chris's board, somebody in that realm that looks at big investment choices, might be somebody. But I think because of the narrow task we give the Department, looking at this recommendation might require—and I think if we do this we ought to allow, and in consultation with the Board membership, maybe some outside eyes on this idea. I think it's a great idea. I don't know if it will work, but I think it's just prudent at this point in time. We're kind of at a junction here with the bond market where it is, with the investment community the way it is, to take some money out and put it into—in my mind, nothing is 100% secure, but this is about as secure as it can possibly be. And then if we do that, does it change some of the flexibility the endowment fund has with what they do? If we know we're going to get a 100% guaranteed return from the State of Idaho, from the general fund into the endowment, does it change what the endowment fund is doing? And that is my perspective on it. Again, I want to thank the Attorney General; when I heard about this, actually, I was a little disappointed that I didn't think of it. [Laughter] I think it's a great idea. But we do have to do that analysis.

**Attorney General Wasden:** Governor, if I could just add a comment. I would expect that when we put this in the hands of the Department, that they would seek out the appropriate expertise in doing the analysis. I think they would be remiss if they didn't seek out that outside expertise, to help us understand this issue.

**Governor Little:** Director Miller, I know you're aware of this. Do you have any thoughts on this?

**Director Miller:** Thank you, Governor and General Wasden. I do hear your sentiments Governor, that this is a creative, outside the box idea. We stand ready to jump in here and explore this option. We can seek the advice of outside help on this one. You're correct, Governor, it's a little out of our expertise. We will certainly, if approved by the Land Board, seek that external assistance. Just so long as, General Wasden, I do not have to be the warden of this prison, I'd be happy without doing that. [Laughter]

**Attorney General Wasden:** Let me be quite clear, that I am not proposing that the Department of Lands runs a prison.

**Board Action:** A motion was made by Attorney General Wasden that the Board direct the Department to examine the issue of whether Land Bank funds might be used to acquire prison property that could be leased to the state. Attorney General Wasden clarified that he is proposing that the Department undertake an appropriate review with apposite expertise and bring a recommendation to the Land Board. Governor Little requested that the Department provide a timeline. Governor Little seconded the motion. The motion carried on a vote of 5-0.

## Information

*Background information was provided by the presenter indicated below. No Land Board action is required on the Information Agenda*

### 7. Report on Endowment Land Management Plan Schedule, City of McCall/Vicinity – Presented by Ryan Montoya, Bureau Chief-Real Estate Services

*[Editor's note: Due to duration, the Discussion portion of these minutes is written in first-person format. These are not verbatim notes.]*

#### Discussion:

**Attorney General Wasden:** I just wanted to make notice of the fact that I have received a number of emails from folks that are very interested in what is going to happen in McCall. I myself am very interested. It's a very special place to me. A number of the emails that I have received don't seem to understand the real purpose of what we, as a Land Board, do. I wanted to take a moment and talk about that with you, Mr. Montoya. Under the Constitution, our responsibility is to obtain the maximum long-term financial return. It's my understanding that what we are trying to do with this process is to take a holistic view of that and say, "How are we going to best fulfill our constitutional mandate?" One of the things that I often hear from people is, "Look, you can't destroy McCall." We're not setting out to destroy McCall. At the same time, we have to find a way...it's our constitutional duty to make as much money as we can for schoolchildren and other beneficiaries. And so they will say,

"Look, you can't destroy the forest." We're not trying to destroy the forest. What we're trying to do is find a way to maximize the long-term return that we're to get on these lands. Sometimes having them sit fallow may be appropriate. But oftentimes, that's not appropriate. And so we have to find a way to make that money. I think that a lot of folks have not fully understood what the duty is that we have. Our job as a Board is to be cognizant of those lands. We have one duty, and one duty only. That one duty is to act with exact honor in upholding our constitutional duty. And that is to act on the behalf of the beneficiaries, to what benefits the beneficiaries. I know there are a lot of interests in McCall. We need to be cognizant of those interests. But our job isn't to fulfill those interests. Our job is one thing only, and that is to act on behalf of those beneficiaries. What actions we take must be aligned with their interest, that is to produce the money that supports the schools or the other beneficiaries. It's helpful to us to hear what other people have to say. I welcome that input. But it's important that people understand that very narrow focus is what we must make our decision on, not based upon all of the other—relevant and important information, but not on point. I just wanted to ask your thoughts, if I have misunderstood or misstated what our duty and responsibility is.

**Ryan Montoya:** That is correct, and the plan will be based on our fiduciary obligations to the endowment. There are a number of endowments around McCall, not just public schools. We will be looking at those lands in totality of the circumstances. You are completely right that we will work with other interest groups and stakeholders to get their input. But ultimately, it's going to be the Land Board's decision on what is best for the endowment.

**Attorney General Wasden:** Okay. Thank you very much, Governor.

*[Editor's note: Due to duration, the Public Comment portion of these minutes is written in first-person format. These are not verbatim notes.]*

**Public Comment:** Remarks were given by Craig Utter, Jeffrey Mousseau, John Robison (via teleconference), David Simmonds (via teleconference), Julie Manning, Melissa Coriell (via teleconference), and Brian Brooks (via teleconference).

**Governor Little:** Okay. We have public input. I would advise the members of the public that the limit is three minutes apiece. And I will be strict in my administration of that three minutes. Did we get a timer? Ah, okay. So it's not me. And with that, Mr. Utter, you're first.

**Craig Utter:** Governor and members of the Land Board, my name is Craig Utter, C-R-A-I-G, U-T-T-E-R. I'm the executive director of the Payette Land Trust. Thank you for this opportunity to speak publicly before the Board. I am here today to address the Idaho Department of Lands' decisions to put on hold all leasing, selling, or exchanging of endowment trust land in the McCall area. We applaud this decision and request to be included in the discussion shaping the future land use within our community. The Payette Land Trust has been working to balance conservation and development in the west-central mountains for over 25 years. We are the locally based conservation organization for Adams, Idaho, Washington, and Valley counties. We are landowners. We own and manage two properties, and we hold 10 conservation easements with private individuals and entities within the area. The 28,000 acres of endowment land are uniquely positioned to impact the Greater Payette River Basin. Located in a transitional landscape, decisions about land use impact streams, rivers, lakes,

both now and into the future. Along with the natural environment, these lands have also become interwoven into the fabric of the community and the heritage of the valley. For this reason, we created the Payette River Basin Initiative. Unveiled last year, the goal of the initiative is to engage landowners within one-half mile of the high-water mark, along the north fork of the Payette River, including Payette Lake and Lake Cascade. We seek opportunities to work collectively to conserve the natural resources within this basin. And IDL is one of those landowners, as are we. We wish to form a closer working relationship with the Land Board, to better accomplish the objectives of both organizations. Regarding endowment lands, our vision is to pursue a path resulting in permanent conservation of as many acres as possible, while working within the legal and constitutional boundaries of the endowment. We are not here today to support or oppose any specific plan, proposal, or idea. Rather, we are here today to promote the idea of permanent conservation, which is at the core of our mission. We are asking that conservation be seen as a seminal value when assessing the worth of these lands, whatever the plan, proposal, or idea may be. We understand there are constitutional entanglements which make the pursuit of perpetual conservation complicated, but believe it is not necessarily impossible. The framers of the endowment may never have imagined the value of development, recreation, or conservation ever challenging the value of timber or grazing. They may have thought the idea of biking through the mountains for enjoyment on a Saturday afternoon to be crazy, let alone an economic driver. My point is there are questions to be asked, and solutions yet to be found. Our mission is to conserve the rural landscape of west-central Idaho for future generations, by conserving the scenic, agricultural, ranch, recreational, historic, wildlife values of the region. We accomplish this by engaging as many stakeholders as possible, while keeping conservation at the heart of the discussion. We would like to add the State Land Board to our list of partners, to help fulfill this mission. We ask for a seat at the table. Thank you.

**Jeffrey Mousseau:** Mr. Chairman, distinguished members of the Land Board, thank you for the time to comment on the McCall and vicinity endowment land plan and schedule. My name is Jeff Mousseau. I'm a private resident of McCall and that's the capacity that I am presenting in. I'm an Idaho native. I'm a University of Idaho graduate. I am a licensed engineer in the state of Idaho. Most of my career was spent at the Idaho National Laboratory, cleaning up hazardous and radioactive waste. Land issues and environmental issues have always been important to me. But I also know the importance of long-term planning and trying to figure things out before you take action. I applaud the Land Board in looking and asking for the long-term plan that Mr. Montoya talked about today. I fundamentally believe that the endowment lands in McCall remain as public land for generations to come. But I also believe that they can be better managed to generate revenue for the benefit of the endowment fund. These lands are precious. They are lands that provide wildlife habitat, that provide the watershed for the sole drinking water source for McCall, and provide really unlimited recreational opportunities, not for just McCall residents, but for residents across the state of Idaho. To say that there's been a lot of local opposition is kind of an understatement on the transfer of these lands we've received. There are about 500 comments, about 166 pages in the City Council meeting a week and a half ago. We've had petitions signed by several thousand people in opposition to this. We've had, actually in McCall, some demonstrations in opposition to the proposed transfer. People care, and care passionately about this. It's just not pointing out the problems that people in McCall are interested. We're interested in being part of the solution. I would ask the Land Board, that

the Department of Lands work with an advisory group of residents and representatives from the McCall and the Valley County area to come up with ideas that we could implement for additional revenues. There's a lot of smart people up there with a lot of ideas. I think we could really help in doing this that would increase the revenues to the fund and keep the lands public for perpetuity. My mom was a schoolteacher in Idaho Falls for her entire career. There's no one that I know that cared more for education and the betterment of the students in the state. I know the value of the endowment funds to education. Certainly, with the problems that were presented in the budget and the revenue coming in, you can see that. But I do think we need to look at a balanced approach between garnering those funds and the lands that are public today. I appreciate the time in talking to you, and I hope you will consider what I said. Thank you very much.

**John Robison:** Governor Little, and members of the Land Board, my name is John Robison. I'm the public lands director for the Idaho Conservation League. I want to say thank you for the opportunity to call in today to testify regarding the endowment land plan management schedule in the vicinity of McCall. We represent Idahoans who live in and around McCall, who own private property there or who visit there regularly and who prize this area. Idahoans value their state endowment lands for many reasons. In addition to funding beneficiaries, sustainably managed endowment lands provide additional values, such as providing habitat for fish and wildlife, opportunities for recreation, and protection of water supplies, among other interests. The quality of these services is far greater on endowment lands than on developed private property. We have reviewed the summary of the land management revenue and expenses for the Payette Lake Supervisory Area, and the program appears to be financially sound and sustainable. The Land Board is required to manage lands consistent with constitutional obligations and consider the contribution of assets over the long term. This means that any given acre of land or any square inch need not immediately generate maximum revenues. Instead, the Land Board must manage the land on balance, in the best interest of the state over the long term. As such, there is no crisis requiring a large disposal or exchange within the McCall area of impact. We support the current moratorium on leasing in the area and request that this pause be expanded, to include sales and land exchanges, and extended for the next three years. During that time, we encourage the Department of Lands and the Land Board to explore long-term opportunities to promote conservation, stewardship, and accessibility, while maintaining constitutional obligations. We also request that the Land Board create an opportunity for community members to testify about how they value these lands, what they appreciate about the current management system, and what suggestions they have for sustaining and improving it in the future, for both their community and for state beneficiaries. We also encourage the Department of Lands and the Land Board to coordinate with other local, state, and federal entities, including but not limited to the Idaho Department of Parks and Recreation, the Department of Environmental Quality, Department of Fish and Game, the Forest Service, the City of McCall, Valley County, and others in these considerations. In particular, we note that many state park units were historically once state endowment lands. Finally, where opportunities exist to acquire lands from willing sellers in other parts of the state, we encourage the Land Board to utilize funds from the land bank, which has a current balance of over \$130 million. Thank you again for the opportunity to call in today. We've submitted these comments in an electronic format for the record, along with the relevant reference to the state code. Thank you very much and appreciate the time.

**David Simmonds:** Good morning, Governor Little, members of the Board, and staff. My name is David Simmonds. I'm president of the Big Payette Lake Water Quality Council, and I live in McCall. Thank you for taking our testimony today. I'll refer you to our recent comment letter and summarize our testimony here. We, and our founding council and advisory groups, have worked to protect Payette Lake and its watershed for more than 27 years. The existing lake management plan was commissioned by an act of the legislature, written by the first council, and adopted as state law in 1998. I was an original councilmember and served under three Idaho governors. Planning for endowment lands might not seem directly tied to the lake itself. But please consider how Payette Lake and the nearby endowment lands have led and intertwined and strained relationship for decades. In fact, the lake and watershed have a symbiotic relationship, and that sustaining the quality and values of the lake tends to sustain the quality and values of these endowment lands, and vice versa. The values here are much more diverse than cottage sites and timber revenue to the endowment. First, this is the top of the Payette River system, producing both the primary drinking water for thousands of residents and a predictable supply of irrigation water for downstream agriculture. These lands are the dominant source of the lake's water quality, scenic quality, property values, and derived economy. Together, the lake and its watershed are a major engine driving the economy of west-central Idaho. Looking back, the challenges and flaws in planning and executing endowment land management in the Payette Lake area are understandable. The values and conflicts surrounding the lake and watershed don't lend themselves to simple solutions coming out of narrow processes. Our council appreciates very much the Land Board's decision to commission the detailed plan for those endowment lands. Presumably we all want this planning process to give us something that can be declared as success. As such, we request that you direct the IDL planning process to include key local stakeholders and robust public involvement. Today, lake planning and scientific studies have begun again, at the city, county, and university levels. As pressures on our lake mount and we see the risk of losing it to death, we ask that IDL collaborate and coordinate its planning with the work already underway, rather than operating in an isolated fashion. I suspect we're all looking for sustainable management of the values of the lake and its watershed, in a way that its stakeholders can agree protects beneficial uses of the water, protects derived values of both lake and watershed, and returns value to the state endowment. The timing to tackle this challenge with team effort couldn't be better, as recent events have brought it into sharper focus. We are certainly ready and willing to work with you, and hope you agree that an open process is the best choice. Thank you.

**Julie Manning:** Good morning, Governor, members of the Land Board. My name is Julie Manning, and I am here today as a private citizen who is concerned about the endowment lands in and around McCall. Our family has a home in McCall, and we spend a lot of time there. In McCall, the overwhelming natural beauty, wildlife sounds, light, and air provide incredible peace of mind. With the tremendous social unrest and Coronavirus pandemic spreading around the globe, these are difficult and confusing times. Most of us are looking around and trying to figure out how we can make things better. But people are also feeling stressed and anxious. Places like McCall and the surrounding wild and scenic areas provide an antidote to this and are what we need in the world, especially now. So it's particularly distressing that recent events have indicated these lands may be vulnerable to acquisition, development, and exploitation that could alter them and remove them from public access forever. This may sound ridiculous and farfetched, but unfortunately, it is possible.

Fortunately, however, I perceive that this cloud has a silver lining. What I have learned over the past couple of weeks is that this issue is galvanizing the public. The citizens are speaking out now in lots of different forms and expressing a widespread agreement that these lands should be kept and protected for now and future generations. At this time, we need leaders who will work in the best interest of the lands, their beneficiaries, and the public, and not self-dealing individuals whose primary interests are their own finances. I would like to thank you, the members of the Land Board, for your leadership that you have provided thus far, especially approving the moratorium on land transfers. I would also like to thank IDL for undertaking the management plan. To keep this process moving forward in the most productive manner, I have a simple four-part proposal to make today. I respectfully propose that first the Land Board should extend the current moratorium on new sales, exchanges, leases, and land use permits that are non-legacy and not previously approved, for the next five years. Second, the Land Board and the IDL should use this five-year period to work with the stakeholders to develop the most effective way to protect these lands, while fulfilling duties to beneficiaries. And I don't think these goals should be considered mutually exclusive. They are consistent. Third, the Land Board and the IDL should allot and obtain the resources necessary, including sufficient time and expertise to engage a rigorous research and analysis that will produce a robust and reliable management plan. And fourth, the stakeholders should pool all their available efforts and resources to contribute to support this plan. A high-quality process will yield a high-quality plan. I know that you, our top elected officials, have so many important issues to work on, especially now. And I ask you to please prioritize this issue and make sure it's handled diligently, like you have expressed a desire to do. Let us work together to guard these McCall area endowment lands for their beneficiaries and so that future generations can continue to access and experience the majestic and restful lands that we all know today. Thank you for your consideration.

**Melissa Coriell:** Good morning, Governor and Idaho State Board of Land Commissioners. My name is Melissa Coriell. I am a full-time resident of McCall, and I live within city limits. I am part of an ad hoc citizens' group that drafted and published the ad appearing in the local paper, titled, "United to Protect our Endowment Lands." In a very short time, we collected more than 700 signatures in support of this statement. This demonstrates the willingness of citizens, especially with interests in Valley County, to be part of the process to develop a management plan for the 28,000 acres of endowment land. I support the formation of a local advisory group that includes representatives of resource and watershed protection groups, of organizations whose members use these lands for various forms of recreation, and most importantly includes local citizens who interface with this land every day. I'm also a teacher. I've taught in the English department at the McCall-Donnelly School District for 12 years. As the statement was circulating through phone calls and emails last weekend, I started hearing from former students deeply concerned and wanting to do something to protect these lands. It is imperative that you include these young people in the conversation. Not only is a role in determining the future of these lands important for their own sake, but it also perpetuates a premise that the future of Idaho is ever evolving and who better to be part of this conversation than the very individuals who will be inheriting that future. Payette Lake is our community's sole source of drinking water. Continuing development in the area surrounding Payette Lake will have impacts on this drinking water supply. This development also burdens the Payette Lake's recreational water and sewer district, and its ability to manage wastewater. Include the Payette Lakes Recreational Water and Sewer District in the

conversation, as it strives to continue its mission to "Protect the health and welfare of local citizens." Finally, I trust the state's ability to manage the unique challenges of managing wildlife that interfaces with an urban center. If these endowment lands ever went into private hands, who would carry the burden of wildfire mitigation? I suggest that the State Land Board issue an invitation to all concerned citizens to engage in a conversation exploring options for how to ensure that these endowment lands provide the greatest public benefit for all, clean water, healthy habitat for animals, and wild spaces for Idahoans to roam. Thank you very much.

**Brian Brooks:** Good day, Governor Little and members of the Land Board. Thanks for the ability to testify today. My name is Brian Brooks. I'm the executive director of the Idaho Wildlife Federation, a coalition of 28 hunting and fishing, hounding and trapping, and wildlife conservation organizations. Our own members and those of our affiliate organizations represent nearly 45,000 people. I'm here to testify regarding the endowment land management plan schedule for the City of McCall and vicinity. But first I just wanted to say I want to recognize that the Land Board and IDL perform a tough job balancing the constitutional mandate, sustaining resources for the beneficiaries of these lands and working with various interests who have no shortage of very strong opinions. It's a narrow focus, as was acknowledged. And it's a tough job to communicate that mission to the public. So the federation has four main program areas, fish and wildlife, habitat, public lands, and access. The future of the state endowment lands surrounding McCall trips all of them. The parcel is valuable habitat for many species, both game and non-game species. It's highly valued by many Idahoans, not just folks from Valley County, but for numerous reasons tied to tangible accessibility to the land and to shorelines, especially for fishing and other recreation. We know these lands are popular. It's publicly accessible acreage. It's a perennial issue. And we've no doubt many have heard from the public the outcry to keep these lands from permanent sales. The parcel is also valuable for the often-unpublicized school funding mechanism. According to the Payette Lake supervisor of revenue and expenses, the many leasing layers associated with the acreage appear to fulfill the Land Board's constitutional mandates of long-term revenue maximization, a far cry from the assertion these lands pose a predicament, necessitating a large-scale land exchange. Because of the many values associated with these lands, the federation urges a moratorium on all land sales and exchanges for this area for an extended period of time, until the Land Board can create or facilitate an opportunity for the public to testify about how they value and use these lands, and benefit from the current management system. We also urge IDL and the Land Board to coordinate with Valley County, the City of McCall, and other state and federal land management entities, and when appropriate, stakeholders, to explore options to perpetuate the public uses of these lands, while fulfilling the state's constitutional mandate. On a final note, during discussion of the state land parcels now and into the future, I urge all to remember Idaho's state motto, *Esto Perpetua*. The west's best remaining publicly accessible places are being sold and developed. And the enjoyment of those places is lost to middle- and lower-income families. Exploring opportunities to fulfill our constitutional obligation, while ensuring we retain these landscapes for current and future Idahoans to enjoy will honor Idaho's motto and the connection we all have to our natural resources. Thanks again for the opportunity to testify.

**Attorney General Wasden:** I am sorry that I speak so much, but it's an opportunity. I would note that I've recently read in the newspaper some talk about, "Well, maybe it's time for us to amend the Constitution and this trust responsibility that we have." I just wanted to make mention that at our constitutional convention in 1889, that this trust was intended to be in perpetuity, that it was a permanent trust. And furthermore, that in terms of amending our constitution, it's not so simple as simply amending our constitution. Because this is a trust, this is an endowment that was created by the federal government, we cannot even amend these provisions of our constitution without Congress amending our admission bill. This is not a simplistic issue; this is a very complicated matter. We have only twice in our history amended our admission bill to affect the endowment. That's because the grantor, the federal government, giving this land to us as a state, has a say in whether this trust is dissipated or not. I would think it would be a very bad thing for us to dissipate this trust. I just wanted to make certain that that was out there, in the record, so the folks knew and understand that this is a much more significant matter than a simple constitutional amendment.

**Ryan Montoya:** I think that it's fantastic that the public has come together to provide the Land Board and IDL with its position. From the last meeting, we heard the Land Board has a love for McCall, just as much as the public. We really are looking at ways to maximize revenue for the endowment. Much of this came about from a recent proposal. Any suggestions that the Department is considering mass exodus from McCall is untrue. We're looking at this holistically, like we provided last month. We really do want to make sure that our decisions are not only aligned with our fiduciary obligations, but also with the long-term interactions with that area.

#### 8. FirstNet Communication Lease M700086, Request for Audience

**Discussion:** Controller Woolf clarified, for the record, the Department went through all the checkboxes and confirmed everything as staff went through the lease process. Mr. Montoya replied that is correct. The Department used the revised process that was approved by the Land Board in October 2019 and followed that complete process.

*[Editor's note: Due to duration, the Public Comment portion of these minutes is written in first-person format. These are not verbatim notes.]*

**Public Comment:** Remarks were given by Brad Richy, Jonathan "J.J." Hayes, JD Bennetts (via teleconference), Steve Botti (via teleconference), Jonathan Oppenheimer (via teleconference), Paul Hill (via teleconference), and Laird Lucas (via teleconference).

**Brad Richy:** Good morning, and thank you, Governor, members of the Land Board. I'm Brad Richy, with the Office of Emergency Management and here just to quickly talk about and describe the implementation process that we went through to integrate into the nationwide wireless broadband system, dedicated to first responders. In 2013, Mike Field reached out to me and said, "Brad, we need to figure out how or who is going to manage the implementation process of FirstNet in the state of Idaho." Governor Otter, at that time, selected the Bureau of Homeland Security. And in 2013, I became the single point of contact for FirstNet and Idaho. We applied for a grant, we got the grant, and hired some folks to go out and start the implementation process, based on grant requirement and what we considered to be an extensive outreach program. That lasted from 2013 until 2017. The grant requirements said

that you had to identify potential public safety responders. So when you think about first responders, you think about police, you think about the sheriffs, you think about 911 dispatchers, you think about fire chiefs. You think about a lot of people. Wireless broadband system in the state provides and opens up an incredible number of first responders. A person responding to an individual who is having a heart attack in their home, with a wireless broadband system, they have the capability to link straight into a hospital and have a medical provider provide them the guidance which they would need, in order to potentially save that individual's life at the time. First responders are quite a bit different, under the FirstNet network. We also needed to conduct education outreach to all relevant stakeholders involved in the public safety network and to assist those same stakeholders in identifying, planning, and implementing the most efficient and effective means to integrate current and future infrastructure, equipment, and other architecture associated with FirstNet, to satisfy the wireless broadband data services needed to those jurisdictions. So in 2013, after we hired the initial individuals, we started working with 911 dispatch centers. We worked with the six district interoperable governance boards, local emergency planning commissions, emergency management workshops. We worked with the Sheriff's Association; we worked with the Police Chief's Association; we worked with the Fire Chief's Association. And all first responders that we could reach out to, emergency managers, local elected officials, to ensure that we had the information needed to make a good decision on what a network and what that coverage throughout the state should look like. We looked at 911 calls. And 911 calls may seem to be just like how many calls did you make? What we did was we actually located where the 911 response was made from. We mapped it and we double-checked the coverage in that area to ensure that a first responder going to that 911 call had the capability of connectivity. We also looked at hazmat storage, transportation to and from the storage, and transportation of hazardous material across the state. We looked at essential infrastructure. We looked at tribal, local, and a key logistics area. We looked back over historical fire data. We looked at population, not only based on what's in the census but seasonal and recreational spikes throughout the year. We worked with all those to try to identify exactly what the priority should be, where those routes should be, and what services could FirstNet provide to those first responders in those areas? And in 2017, we conducted a listening tour around the state. Once we mapped everything out, we went back to ensure that we had captured everything they wanted to have in the implementation plan. We met with FirstNet. FirstNet provided us with an overlay of what they thought was the coverage area needed in the area. We disagreed with that. We went into some negotiations with FirstNet, and later they came back and adopted some of those methods. We understood that there was going to be the need for additional towers. No matter who the provider was at the time, since that was up for bid, we didn't know exactly who that was going to be. But additional coverage in all areas across the state of Idaho were going to be needed. So FirstNet had agreed initially to add 17 additional towers across the state, on top of what could be located already. Based on that, we came back to the public safety communication commission. We briefed them. The public safety communication agreed with the plan as updated from FirstNet and the State, based on the coverage out there. After that, we took the presentation to Governor Otter. Governor Otter elected to opt in. It was either an opt-in or an opt-out for the entire state. He opted in because as you take a look at building a wireless network across the state, you can see in maintaining that, state owned, state managed, and again fiduciary responsibilities were not really there to build an individual state network that had to integrate into. So with that

additional, FirstNet came back in prior to the governor's opting in and said, "We have five additional sites that we would like to include in FirstNet." So when we presented that to the governor as well, he said, "Please make sure you're considering the land. Take a look at the microwave towers, the 26 microwave towers across the state, and see if there's an opportunity for overlapping coverage or use of that equipment. Consider state land and also consider endowment land as we continue to build additional towers to meet the first responders' needs in this state." That was in 2017. Since 2017, and up until more recently, we continue to coordinate with state, local, federal, tribal members across the state to work the implementation process, to move equipment to band 14 and update us and them on any changes they may have had or we have had to the original plan.

**Attorney General Wasden:** I want to direct your attention to the time at which your agency made the request. I've received information that the state requested this specific location for this tower to be built. And my understanding is that it requested that it be someplace in the vicinity of Redfish Lake, but not this specific parcel. And I just wanted some clarification on that point.

**Brad Richy:** Governor, General Wasden, you are correct in your assumption that we picked an area that needed coverage. We didn't pick the specific location.

**Attorney General Wasden:** Okay. Thank you very much.

**Jonathan "J.J." Hayes:** All right. Good morning, Governor. Good morning, Chairman. My name is J.J. Hayes. I'm with the FirstNet program, overseeing the state of Idaho. And we'll run through a quick PowerPoint slide with some of the information around this site, and why it was chosen near Redfish Lake. Some of the information, we do ask that screenshots and photographs are not taken without written consent from AT&T.

**Governor Little:** I'd remind you that this is a public meeting, so in a public meeting, everything that's presented is public. If you've got anything that's not public, you better not flip the screen.

**J.J. Hayes:** All right. We were given consent to show everything within this. So about FirstNet. FirstNet is an LTE public broadband network that we're building out across Idaho and across the nation that provides public safety, priority, and preemption on the network. What that means is in the event of an emergency or having other commercial traffic on the network, public safety's traffic is routed ahead of all that commercial traffic within the network. So any agency adopting, they have the ability to communicate without having the interruption of commercial users on that same network. We are exploring an option with the Department of Lands as to a 20-year lease agreement in building the site around Redfish. What had come up was a search ring around the Redfish area, in which there is minimal communications. And we had chosen to do multiple site drives and explore multiple areas in that area, between federal land, private land, and endowment land. Upon some of the feedback, we were not permitted on any of the federal grounds. We pursued this piece of land with Department of Lands and explored a site to reach 195 feet, to be able to provide coverage up and down the Highway 75 corridor and across the northern part of Redfish Lake. Some of the things that we talked about earlier, this is a public auction land lease that we explored. And we're the high bidder around this land. And we're wanting to move forward with that proposed site

build. This is a big, important tower for AT&T, for FirstNet, and for public safety within the area. Many of us have driven through Galena Summit, north of Sun Valley, up to Stanley. And we do have minimal coverage. Having a site at this height does allow the antennas at the top of the tower to then peek over into Redfish area, providing additional coverage, and then additional coverage going up towards Stanley, as well as south, down the highway. Some of the enhancements with public safety is going to allow them to interoperate and allow them to communicate better within their own agencies, also within the public safety within those areas. We've seen an increased amount of tourism, increased amount of population within our state, and more recreational users that are visiting these areas, especially with what's going on in today's world and people getting out. The reason that we chose the 195-foot tower, it does provide the additional coverage to the north and to the south, as well as meeting the commitment, providing some coverage at the north end of the lake, and gives us an additional 8.2 square miles of coverage, versus what we had looked at in pursuing a co-lease or a multiple site build opportunity. The next slides show some of the photo sims of what that's going to look like. So with this site build, we've basically pictured out some views around the highway and around the lake, to showcase what that view shed would look like from the lake itself, from the west.

**Governor Little:** Are you close to wrapping up?

**J.J. Hayes:** Yes sir. The next slide shows from the east. Basically there's a slight—it's a little bit light. We have blended in the tower one of the pieces that we took back as feedback. Originally this was slotted as a lattice type tower. We brought back the design and said we wanted it to blend in with the environment a little bit more. And so now we're looking at a monopole type site. That's the view from the east. View from the north, and the last one, a view from the south. So very minimal exposure, next to the existing tower that's there. It will be a little bit taller.

**Controller Woolf:** It's not my area of expertise in meteorology but is there any type of impact from being a lightning rod, being that much taller, and standing out.

**J.J. Hayes:** They're all grounded. Cell sites are grounded. They have backup generators and power. Whether it's solar or an actual engine type backup, if the power does go out, they'll still—

**Governor Little:** In fact, we have a company in Idaho that makes the grounding equipment for cell towers. And so come on lightning, we'll take all you've got.

**JD Bennetts:** Thank you, Governor. I appreciate the opportunity to speak on behalf of Custer Telephone. As stated earlier, we supplied written comments on the 17th. But in summary of those comments, we'd like the record to show that if the Board decides it does not want another communications tower in the Boundary Creek area of the Sawtooth National Recreation Area, Custer Telephone has the ability to co-locate another provider on our existing tower. Secondly, Custer telephone does not object to the proposed lease, so long as that lease and the related communications facilities do not materially interfere with Custer Telephone's tower or its 100 by 100-foot site pad. Thank you for your time.

**Steve Botti:** Good morning, everyone. Thank you very much for giving me some time to meet with you today on this issue. The potential impact of this cell tower is an important issue for

the residents of Stanley and what I call the greater Stanley community in the Sawtooth Valley. The iconic view of the Sawtooth range in this area, which I'm sure all of you are familiar with is the reason that most people choose to live and work in this area. And many of them provide services to the visitors who come up here for the same reason, enjoyment of the landscape. The proposed 195-foot-high tower will be located on top of a 300-foot-high ridge, just east of Redfish Lake. That's a very prominent location within the valley. It will be only six tenths of a mile from State Highway 75 and a mile from the access road to Redfish Lake, which will make it a visual impairment for thousands of tourists who visit Redfish Lake each year. It also will be highly visible to motorists on Highway 75, as they look toward the Sawtooth Mountains. The possible impact to the Central Idaho Dark Sky Reserve is also a particular concern. This reserve is the first and still the only International Dark Sky Reserve in the United States. And it attracts visitors from throughout the U.S. and the world. Although the project documents state that the tower will not be lighted, we understand that FAA is reviewing its regulations in that regard. Imposing a lighting requirement in the future would severely impact night sky viewing and the almost total lack of light pollution within the reserve. The tower will be located near the central darkest core areas of the reserve. It can hardly be in a worse place. We request that the lease, if approved, include a provision that it be modified or cancelled if the FAA imposes a lighting requirement, rather than allowing the reserve to be degraded in that way. We would like to see a different alternative to the one in this proposed lease. It could involve co-locating a facility with Custer Telephone, which they've offered to do, or a shorter tower on the IDL site, or perhaps a network of shorter towers to provide the desired FirstNet coverage. The U.S. Forest Service has the authority to lease cell tower sites, and they've done so elsewhere within Idaho. So we would like to see a thorough analysis to see if a network of shorter towers linked to the IDL site, some of which could be on National Forest system land could satisfy emergency response needs while preserving the scenic and visual resources of the Sawtooth National Recreation Area and the Dark Sky Reserve. For these reasons, I urge you to deny this lease at this time and in its present form. Thank you very much.

**Jonathan Oppenheimer:** Thank you, Mr. Governor and members of the Land Board. I appreciate the opportunity to testify. My name is Jonathan Oppenheimer, and I serve as the external relations director with the Idaho Conservation League. We represent over 30,000 members and supporters from across the state. I wanted to touch on a few topics from our perspective, relative to this. We appreciate the input from the mayor of Stanley and from many others who have voiced concerns with this, from the Custer County Commissioners, as well as local residents. One point I wanted to make is that we have spent a lot of time in Idaho, and at the Idaho Conservation League, and working with members of the Land Board and others, IDL, to advance collaborative projects and collaborative input and coordination with all of the different partners in Idaho, from the Forest Service to BLM, working across boundaries, from the Good Neighbor Authority to Shared Stewardship efforts, collaborative efforts across the state. The roadless rule is a good example of this, where the state worked cooperatively with the federal government, with regards to protection and management of roadless areas. And really, I think that Idaho has a strong history of this all-hands approach. And we strongly encourage the Land Board to take that into consideration as we consider how management on state endowment lands could impact other values for which areas are managed, including in the SNRA. And so that's point number one. Point number two is as the good mayor of Stanley mentioned and several others, consideration of additional

alternatives that could still meet the state's mandate to maximize revenue with regard to these lands over the long term, consistent with existing laws that have been passed by the Idaho Legislature. We truly feel that there are suitable alternatives that can still provide revenue to the state, while meeting the goals of FirstNet, as well as Custer Tel and the safety, ultimately, of Idahoans who visit that important area, which I know we all care deeply about. I would note that I'm not seeing a copy of the July 17th comment letter that Custer Tel submitted in the materials that were provided on the IDL website and the Land Board website. There were comments that were submitted as late as July 19th, which was Sunday. But I'm not seeing that Custer Tel letter in there, and so would recommend that that be rectified and that that letter be posted on the Land Board website. Finally, the third point that I wanted to make was with regard to the lease stipulations. As you heard from Mayor Botti, current regulations do not require lighting or specific paint on the proposed tower. However, those regulations are under review now. And we similarly support the request to provide specific stipulations in the lease to allow for reconsideration or potential future denial if some of those standards of lighting and paint are not changed. And so we would also, from the Idaho Conservation League's perspective, request that you deny this lease at the present time, until these issues continue to be evaluated and alternatives considered. And so with that, again, appreciate the opportunity to testify.

**Paul Hill:** Good morning. Thank you, Governor and members of the Land Board for the opportunity to provide some testimony today. My wife and I are 20-year residents of the Stanley basin in the SNRA. And for the last 15 years, I have served on the boards of the Sawtooth Interpretive and Historic Association, as well as the Sawtooth Society. These are both organizations that have spent over 70 years collectively and more than a million dollars working to protect and enhance the unique qualities that make the SNRA the crown jewel of Idaho's natural wonders. And I am speaking on behalf of these two groups today. They have served millions of visitors with recreational facilities and educational programs. And hope you would agree they have the right to participate in decisions that directly affect the quality of the Sawtooth National Recreation Area. Today I'd like to share three main concerns here. First, the proposed new cell tower from FirstNet would have a major adverse impact, as has already been pointed out, on the view sheds of the area. It would rise approximately 150 feet or more above the treetops, and would adversely affect the view sheds that the government has already spent—the federal government—over 70 million taxpayer dollars to protect through conservation and scenic easements, and tens of thousands of visitors from around the world come to enjoy each year. And we think this is a serious consideration that needs to be weighed heavily. The second concern I wanted to raise is one that's already been raised by Mayor Botti and by Jonathan Oppenheimer, and that's the potential jeopardization of the Central Idaho Dark Sky Reserve, if this tower were to be required to be lighted by the FAA. And we would echo support that the lease ought to have a provision in it that it either can be canceled or at least revisited and altered if the FAA lighting requirements were to go into effect. The final concern, and perhaps the main one we have is the process by which this proposed lease has been handled by FirstNet and AT&T. There's basically been no opportunity whatsoever for public input or comment from the local communities and the people who visit the SNRA. And I would mention, this is in stark contrast to the outreach that was done by Custer Telephone when they planned and then eventually put in the existing cell tower there. And in fact, first responder group, the primary one in our area, which is a Sawtooth Search and Rescue Operation, has submitted a letter in your record that says with

regard to the current FirstNet proposal, "We do not believe the current proposal provides an appropriate solution, and we strongly oppose it." This is not to say that there shouldn't be additional coverage for FirstNet in the area, but rather that at the present time—

**Governor Little:** Mr. Hill, can you wrap up, please?

**Paul Hill:** —there really hasn't, as far as we can tell, been any serious consideration of alternatives to this 195-foot tower that's been proposed. AT&T, we gather, has advised the Land Board that it has had discussions with Custer Tel, substantive ones on the possibility of co-locating on their existing tower. As far as we can determine, in advice from Custer Tel, that has not occurred, and therefore the Land Board has not really had an opportunity to consider that alternative.

**Governor Little:** Mr. Hill, can you wrap up?

**Paul Hill:** And we think that if serious consideration is given to that alternative, it will show that it provides better emergency coverage than the proposed 195-foot tower, and it would also eliminate some of the concerns that have already been expressed. And finally, with regard to the mandate that's been mentioned several times during the hearing, with regard to maximizing the return on endowment lands, I believe Custer Tel has already recognized, if there were additional equipment put on its existing tower, that would justify providing additional rent revenue to Idaho Department of Lands, so that it would not lose the opportunity to increase its return from this property. In short, we would say there clearly is an alternative that exists, that should afford both a return to the—on the endowment lands and provide improved coverage for FirstNet responders. That's a much more desirable alternative than this 195-foot tower.

**Governor Little:** Thank you, Mr. Hill.

**Paul Hill:** And we would respectfully ask the Board to, at the present time, not approve this lease, but rather require the staff to go back and thoroughly review the Custer Tel proposal, and in addition, provide an opportunity for public comment and input before making any decision on the final lease.

**Laird Lucas:** Laird Lucas speaking. I am executive director of Advocates for the West. I'm a lawyer located in Boise and Advocates for the West is a nonprofit public interest law firm. We work on legal issues at both federal and state levels. I'm providing testimony today to follow up on the comments you just heard. And the key issue is alternatives here. Of course the Land Board is guided by the duty to maximize long-term financial returns, but Section 8 of the Constitution, Article IX also provides that the Land Board acts within the laws enacted by the Legislature, with the duty to carefully preserve and hold in trust the lands. And the Land Board, in many ways, looks at how to fulfill those duties, including to avoid conflicts with federal laws, local laws, whatever. And in this case, I wanted to make you aware that the FirstNet process, federal process for approving cell towers does invoke federal law. The National Environmental Policy Act requires that federal agencies conduct environmental impact analysis for proposed actions and look at alternatives. And I have included in our comments and in the record before you a petition that Advocates for the West sent a week or two ago to FirstNet, pointing out the significant potential impacts to the SNRA, to the Dark Sky Reserve, to some of the other values that you've heard about today, and pointing out

that there are alternatives that are feasible alternatives here. And as Mr. Hill just indicated, our understanding is that AT&T and FirstNet have not really explored alternatives for co-location with Custer Tel, and that there are also alternatives for possible different tower arrays, Redfish Lake, and so forth. So my request to the Land Board is to—this is an informational session. Direct staff to go back and work with Custer Tel, as well as FirstNet and AT&T, to look at alternatives because if we can work it out in a way that doesn't threaten the adverse impacts that the current proposal has, we won't have to go through a federal NEPA process. But if we go forward on the current path, as per our petition that we submitted to FirstNet, we would intend to follow up and demand a NEPA process that will take longer and could end up in federal court. And who knows what will happen? So I think the commonsense solution here is for the Land Board to request that your staff get together with AT&T and with Custer Tel and look for another alternative. Thank you very much, Governor.

**Governor Little:** Thank you, Mr. Lucas. That completes our public input.

### **Executive Session**

None

There being no further business before the Board, at 11:20 a.m. a motion to adjourn was made by Attorney General Wasden. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

IDAHO DEPARTMENT OF LANDS



M. Dean Buffington :: Chairman  
Jerry F. Aldape      Gary L. Mahn  
Warren R. Bakes      Richelle A. Sugiyama  
Steven C. Harris      Thomas J. Wilford  
Irving Littman      Chuck Winder  
Chris J. Anton :: Manager of Investments

## Monthly Report to the Board of Land Commissioners

### Investment performance through July 31, 2020

**Month: 4.0%      Fiscal year: 4.0%**

Equity markets continued to exhibit strong positive momentum as we started the new fiscal year despite the ongoing spread of COVID-19 and indications that it will take considerable time for the economy to recover fully. U.S. GDP contracted at an annual rate of 32.9% in the second quarter of 2020, the worst drop ever recorded. This highlights the devastating impact the COVID-19 pandemic has had on the U.S. economy and makes the 5% GDP drop in the first quarter of 2020 look good by comparison. The decline in economic activity was led by falling personal consumption expenditures. Congress is in the process of negotiating a second stimulus package to help Americans weather the storm.

### Status of endowment fund reserves

Distributions for FY2021 and FY2022 are well secured.

### Significant actions of the Endowment Fund Investment Board

When the Endowment Fund Investment Board meets on August 13, 2020, it will review audited financial statements for FY2020, review beneficiary distributions and transfers for FY2022 and approve its FY2022 budget.

### Compliance/legal issues, areas of concern

**Material deviations from Investment Policy:** None.

**Material legal issues:** None.

**Changes in board membership or agency staffing:** None.

### Upcoming issues/events

Land Board Audit Committee – August 12, 2020

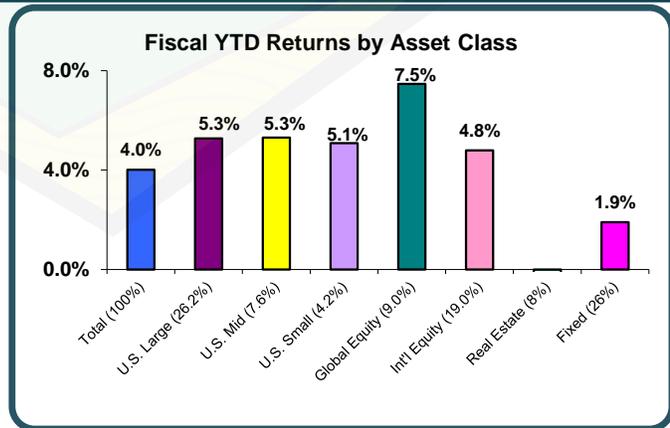
EFIB Board Meeting – August 13, 2020

	<u>Month</u>	<u>FYTD</u>
<b>Beginning Value of Fund</b>	<b>\$ 2,395,398,968</b>	<b>\$ 2,395,398,968</b>
Distributions to Beneficiaries	(7,043,400)	(7,043,400)
Land Revenue net of IDL Expenses	7,270,898	7,270,898
Change in Market Value net of Investment Mgt. Expenses	95,177,282	95,177,282
<b>Current Value of Fund</b>	<b>\$ 2,490,803,747</b>	<b>\$ 2,490,803,747</b>

<u>Gross Returns</u>	<u>Current Month</u>	<u>Calendar Y-T-D</u>	<u>Fiscal Y-T-D</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
<b>Total Fund</b>	4.0%	2.3%	4.0%	8.8%	8.3%	7.7%	9.3%
<i>Total Fund Benchmark*</i>	3.9%	1.9%	3.9%	8.4%	7.5%	7.3%	8.8%
<b>Total Fixed</b>	1.9%	5.8%	1.9%	8.3%	5.3%	4.2%	3.7%
<i>85% BB Agg, 15% TIPS</i>	1.6%	7.8%	1.6%	10.2%	5.7%	4.4%	3.8%
<b>Total Equity</b>	5.4%	1.1%	5.4%	9.4%	9.6%	9.0%	11.4%
<i>38% R3 19% Ax 9% AC</i>	5.3%	-1.1%	5.3%	7.4%	7.9%	8.3%	10.7%
<b>Domestic Equity</b>	5.3%	1.4%	5.3%	9.2%	11.0%	10.4%	13.7%
<i>Russell 3000 (R3)</i>	5.7%	2.0%	5.7%	10.9%	11.4%	10.9%	13.6%
<b>Global Equity</b>	7.5%	5.4%	7.5%	13.6%	9.9%	8.5%	8.6%
<i>MSCI ACWI (AC)</i>	5.3%	-1.3%	5.3%	7.2%	7.0%	7.4%	8.9%
<b>Int'l. Equity</b>	4.8%	-1.5%	4.8%	7.8%	6.3%	5.9%	6.0%
<i>MSCI ACWI ex-US (Ax)</i>	4.5%	-7.0%	4.5%	0.7%	1.4%	3.2%	4.5%
<b>Real Estate</b>			-1.0%	3.0%	5.8%		
				3.0%	5.9%		

\* Benchmark: 38% Russell 3000 19% ACWI ex-US 9% AC 26% BB Agg. 8% ODCE

	<u>Mkt Value (\$M)</u>	<u>Allocation</u>
<b>Domestic Equity</b>	<b>\$ 950.4</b>	<b>38.2%</b>
Large Cap	660.1	26.5%
Mid Cap	186.7	7.5%
Small Cap	103.6	4.2%
<b>Global Equity</b>	<b>231.7</b>	<b>9.3%</b>
<b>Int'l Equity</b>	<b>495.5</b>	<b>19.9%</b>
<b>Fixed Income</b>	<b>602.4</b>	<b>24.2%</b>
<b>Real Estate</b>	<b>191.9</b>	<b>7.7%</b>
<b>Cash</b>	<b>19.7</b>	<b>0.8%</b>
<b>Total Fund</b>	<b>\$ 2,490.8</b>	<b>100.0%</b>

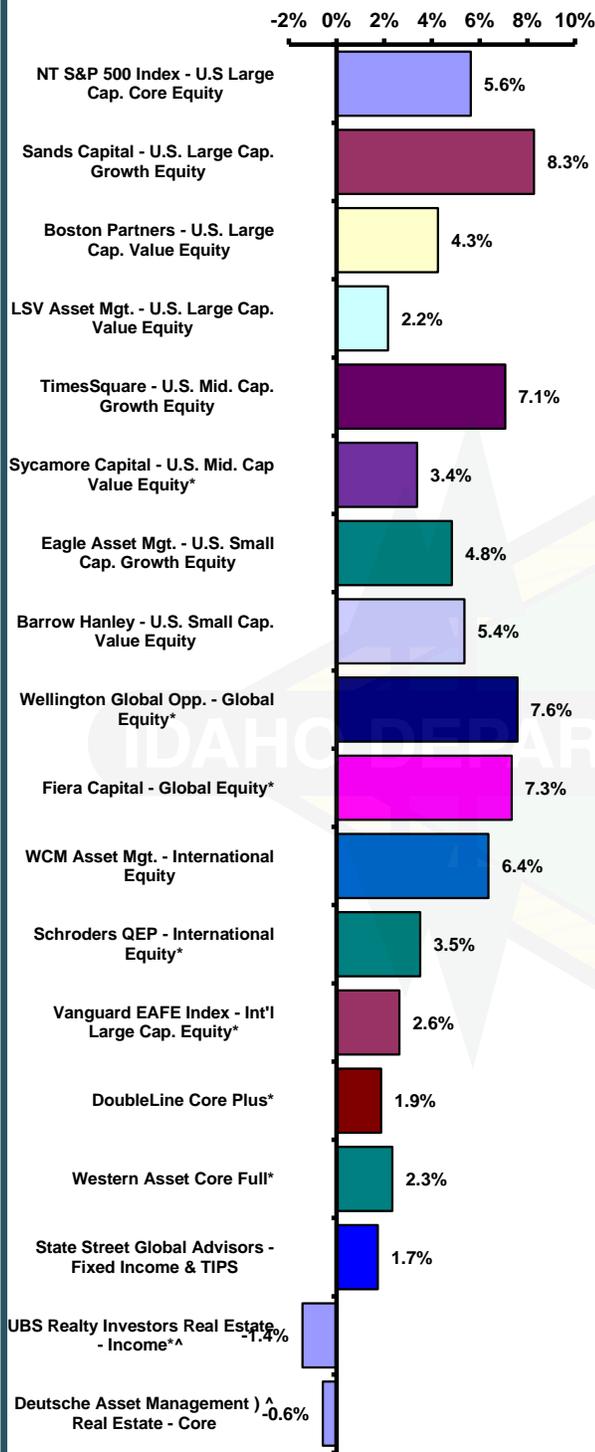


### Endowment Fund Staff Comments:

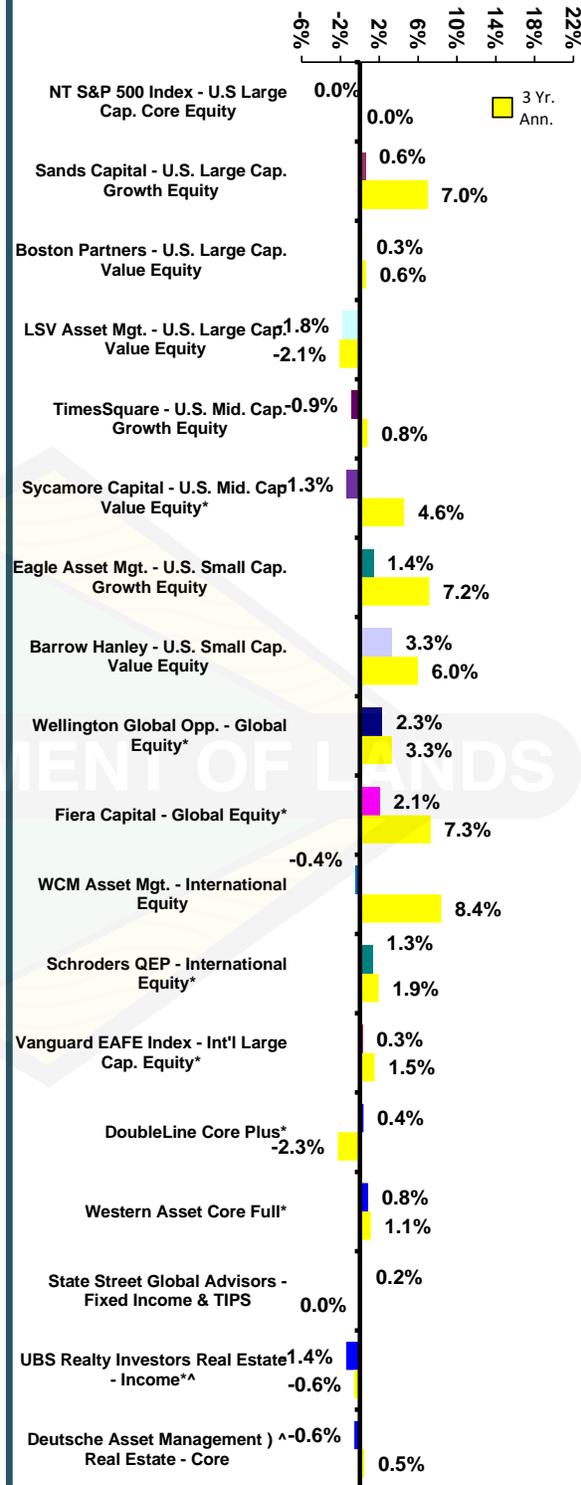
Equity markets continued to exhibit strong positive momentum as we started the new fiscal year despite the ongoing spread of COVID-19 and indications that it will take considerable time for the economy to recover fully. U.S. GDP contracted at an annual rate of 32.9% in the second quarter of 2020, the worst drop ever recorded. This highlights the devastating impact the COVID-19 pandemic has had on the U.S. economy and makes the 5% GDP drop in the first quarter of 2020 look good by comparison. The decline in economic activity was led by falling personal consumption expenditures. Congress is in the process of negotiating a second stimulus package to help Americans weather the storm.

# INVESTMENT REPORT

## FYTD Manager Returns



## Manager Relative Returns Fiscal YTD and 3-Yr Ave\*



\*ITD return used when manager has less than 3 years. ^ Most recent valuation.

# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Regular Agenda

## Subject

Fiscal year 2022 beneficiary distributions, transfer of earnings reserve funds in excess of target levels, and designation of the transfers as increases in the gain benchmark (or permanent corpus)

## Question Presented

Shall the Land Board approve the beneficiary distributions, the transfer from earnings reserves to the permanent fund, and the treatment of the transfers as additions to the gain benchmark?

## Discussion

The Endowment Fund generated investment returns of 5.2% (3.6% real return, net of 1.6% inflation) during fiscal year 2020. Investment gains allowed all permanent funds to be well above their inflation-adjusted targets, or gain benchmarks, as of June 30, 2020. FY2021 and FY2022 beneficiary distributions are well-secured; every fund has full reserves. The Department of Lands has \$145.5 million of timber presold as of June 30, 2020, which provides a solid source of income over the next three years.

## Recommendation

The Endowment Fund Investment Board recommends that the Land Board approve a 4.2% increase in beneficiary distributions, or a total of \$88,076,500 in FY2022; approve a transfer of \$18,685,000 from earnings reserve funds to permanent funds; and, designate the transfers as additions to the gain benchmarks (or permanent corpus).

The distributions and transfers for each beneficiary are outlined in more detail on page 6 of Attachment 1.

## Board Action

## Attachments

1. Proposed FY2022 Distributions and Transfers

# Proposed Fiscal Year 2022 Distributions and Transfers

IDAHO DEPARTMENT OF LANDS

*Land Board Meeting  
August 18, 2020*



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## Distribution Policy Summary

The Land Board has adopted the following principles:

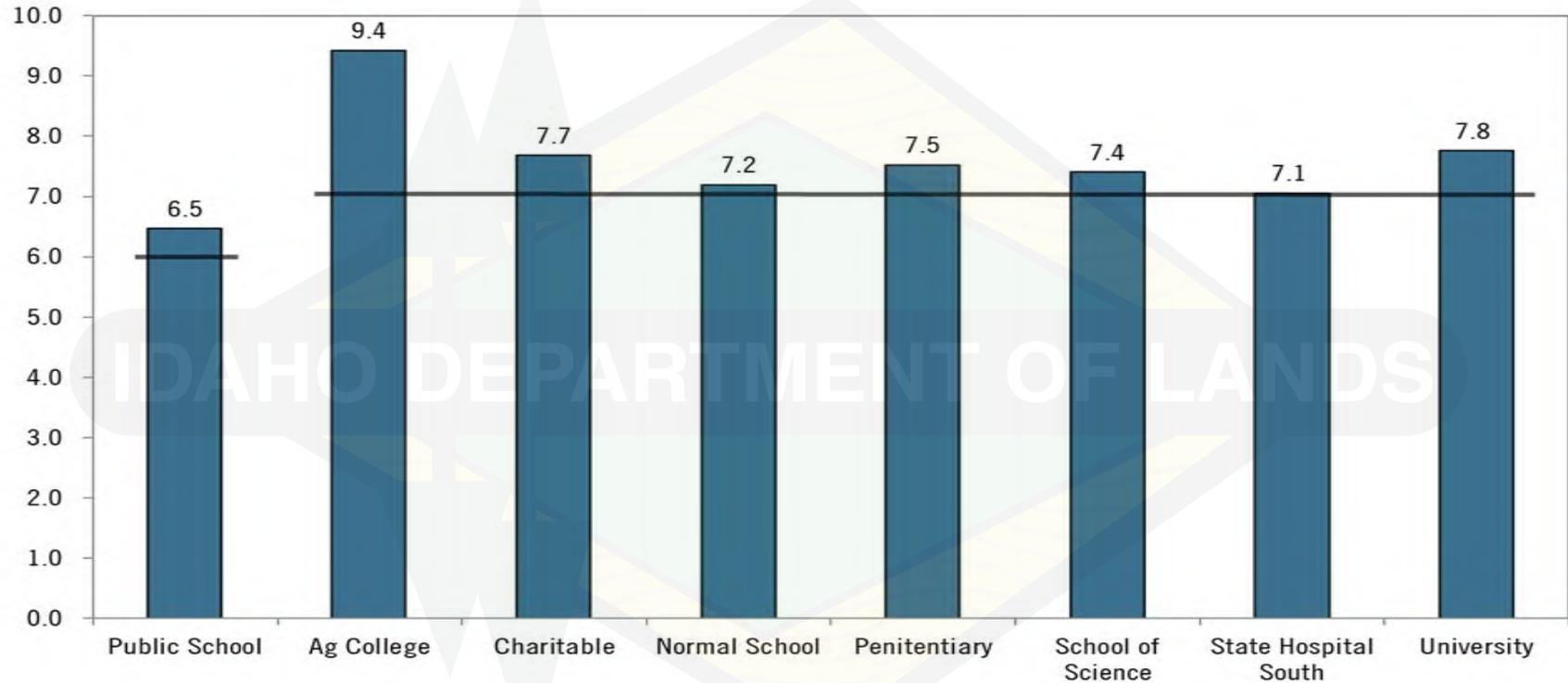
- Distribute 5% of the 3-year average value of each Permanent Fund annually (7% for State Hospital)
  - Adjusted for reserves, transfers and any other relevant factors
- Maintain Earnings Reserves at target levels based on years of beneficiary distributions
- Consider transferring any excess Earnings Reserves back to the Permanent Fund

---

## Current Situation

- The Endowment Fund generated a 5.2% return (3.6% real return, net of 1.6% inflation) in FY2020, which pushed all Permanent Funds above their inflation-adjusted target (the "Gain Benchmark")
- Current year and next year's beneficiary distributions are well secured – every fund has full reserves
- \$145.5 million of timber presold as of June 30, 2020, which provides an important source of income over the next 3 years

Coverage Ratio June 30, 2020



## RECOMMENDED ENDOWMENT DISTRIBUTIONS - FY 2022

(Based On June 30, 2020 Balances - \$ Millions)

	Total	Public School	Ag College	Charitable	Normal Schools	Penitentiary	School of Science	State Hospital South	University
FY 2017 Distribution	\$ 63.2	\$ 36.7	\$ 1.3	\$ 5.5	\$ 4.3	\$ 2.0	\$ 4.7	\$ 4.6	\$ 4.0
FY 2018 Distribution	\$ 73.5	\$ 47.0	\$ 1.3	\$ 5.5	\$ 4.3	\$ 2.0	\$ 4.7	\$ 4.6	\$ 4.0
FY 2019 Distribution	\$ 78.2	\$ 50.3	\$ 1.4	\$ 5.8	\$ 4.4	\$ 2.2	\$ 4.8	\$ 5.0	\$ 4.2
FY 2020 Distribution	\$ 80.9	\$ 51.3	\$ 1.5	\$ 5.8	\$ 4.9	\$ 2.2	\$ 4.9	\$ 6.0	\$ 4.4
FY 2021 Distribution	\$ 84.5	\$ 52.6	\$ 1.6	\$ 6.0	\$ 5.3	\$ 2.5	\$ 5.4	\$ 6.4	\$ 4.8
<b>FY 2022 Distribution</b>	<b>\$ 88.1</b>	<b>\$ 54.8</b>	<b>\$ 1.7</b>	<b>\$ 6.2</b>	<b>\$ 5.5</b>	<b>\$ 2.7</b>	<b>\$ 5.7</b>	<b>\$ 6.4</b>	<b>\$ 5.1</b>

% Change: 2022 vs. 2021 Distribution      4.2%    4.2%    7.0%    3.1%    2.9%    7.5%    5.8%    0.9%    7.0%

### **Earnings Reserves status (as of 6/30/20)**

Earnings Reserve Policy Target (in years)	6.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Years of reserves, before transfer	6.2	8.8	7.5	7.0	7.0	7.0	7.0	7.0	7.3
<b>Years of reserves, after transfer</b>	<b>6.0</b>	<b>7.0</b>							

<b>Earnings Reserve Balance (6/30/20)</b>	<b>\$ 580.4</b>	<b>\$ 340.3</b>	<b>\$ 14.6</b>	<b>\$ 46.1</b>	<b>\$ 38.4</b>	<b>\$ 18.8</b>	<b>\$ 40.2</b>	<b>\$ 45.0</b>	<b>\$ 37.0</b>
<b>Recommended Transfer to Perm Fund</b>	<b>\$ 18.7</b>	<b>\$ 11.6</b>	<b>\$ 3.0</b>	<b>\$ 2.8</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 1.3</b>
Earnings Reserve Balance After Transfer	\$ 561.7	\$ 328.8	\$ 11.6	\$ 43.3	\$ 38.4	\$ 18.8	\$ 40.2	\$ 45.0	\$ 35.7

# Land Board Action Requested

- Approve the beneficiary distributions, the transfers, and the treatment of the transfers as additions to the Gain Benchmark

	<i>Distributions To Beneficiaries</i>				<i>Transfer To Permanent Fund*</i>	<i>Added to Gain Bench- mark**</i>
	<i>Approved</i>	<i>Proposed</i>	<i>%</i>	<i>\$</i>		
	<i>FY2021</i>	<i>FY2022</i>	<i>Change</i>	<i>Change</i>		
Public School	52,586,400	54,798,000	4.2%	2,211,600	11,551,000	11,551,000
Ag College	1,551,600	1,660,000	7.0%	108,400	3,005,000	3,005,000
Charitable Instit.	5,991,600	6,179,000	3.1%	187,400	2,827,000	2,827,000
Normal School	5,334,000	5,487,500	2.9%	153,500	1,000	1,000
Penitentiary	2,500,800	2,689,500	7.5%	188,700	3,000	3,000
School of Science	5,420,400	5,735,500	5.8%	315,100	3,000	3,000
State Hosp. South	6,369,600	6,425,000	0.9%	55,400	2,000	2,000
University	4,766,400	5,102,000	7.0%	335,600	1,293,000	1,293,000
	<b>84,520,800</b>	<b>88,076,500</b>	<b>4.2%</b>	<b>3,555,700</b>	<b>18,685,000</b>	<b>18,685,000</b>

\* Amount of Earnings Reserve in excess of what is deemed adequate relative to the 2022 distribution. The adequate reserve level for Public School is six years and all others are set at seven years.

\*\* Amount of the transfer that will be considered a permanent increase in original corpus. No endowment had past losses at the end of FY 2020, so all the transfer can be considered corpus/principal and added to the Gain Benchmark.

**All calculations subject to adjustment pending final audit of fiscal year 2020 results.**

# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

Regular Agenda

## Subject

Fiscal Year 2022 Department of Lands Budget Enhancements

## Question Presented

Shall the Board Direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2022 budget proposal due on August 28, 2020?

## Background

The Idaho Department of Lands (Department) is requesting concurrence on the proposed FY22 Enhancement Decision Units. Pursuant to Idaho Code § 67-3502, agencies must submit their budget request to the Division of Financial Management (DFM) and the Legislative Services Office (LSO) by August 28, 2020. The Board briefing and meeting schedules prevent the Department from having the full budget request ready for the August meeting. The complete budget will be presented for Board approval at the September meeting.

## Discussion

The Department is asking for consideration of the attached decision units. The proposed decision units align with the strategic goals that are detailed in the Department's strategic plan document. The strategic plan is organized around four major Department-wide goals: (1) Financial Stewardship – Maximize returns through prudent management of resources and funds, (2) Customer Focus – Exemplary professional service to all customers, (3) People – A high performing workforce, and (4) Process – Effective policies, procedures and systems to drive informed decision making.

The Department is developing a budget submission for FY22 that includes enhancements that will further efforts to meet these Department goals. In Attachment 1, the Department's proposed enhancements for the FY22 budget are listed in order of priority.

The enhancements in the Department's budget request reflect the following increases over the FY2021 ongoing appropriation:

Fund Type	Increase from FY21 Base Budget	
	Ongoing & One Time Requests Combined	Ongoing Requests Only
General Fund	\$0 (0%)	\$0 (0%)
Earnings Reserve Fund	\$241,700 (0.8%)	\$105,500 (0.4%)
Lands Dedicated Fund	\$916,300 (5.3%)	\$284,100 (1.6%)
Federal Funds	\$0 (0%)	\$0 (0%)

Throughout the rest of the budgeting submission process, the Department will follow DFM guidelines.

### Recommendation

Direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2022 budget proposal due on August 28, 2020.

### Board Action

IDAHO DEPARTMENT OF LANDS

### Attachments

1. FY2022 Enhancement Decision Unit Requests
2. Decision Unit 1 – Salary Conversion

# IDL Enhancement Decision Units - FY2022 - As of August 18, 2020

Priority	Description	General Fund	Dedicated Fund	Federal Fund	Earnings Reserve Fund	Total	Object	FTPs	Ongoing or OneTime
1	<b><u>LAAD: Fire Program Enhancements</u></b>								
	<p>This request is to convert 12 temporary 8-month fire employees to 12 permanent 10-month Engine Boss/Incident Commander Type 4 qualified positions. Request requires 10 FTP and \$281,100 in Fire Dedicated PC to cover the difference in funding needed to for two additional months and to bring the employees from their current temporary rate (~\$17.43/hr) to the 80% of policy rate for Grade L (\$25.06/hr). This conversion will help in the retention of qualified fire line leadership and supervision, ensure safe operations on wildland fires, and reduce the need for ordering federal resources to provide fire line supervision. It will also reduce our reliance on contracted resources, though this need will continue until IDL is able to hire qualified engine bosses to staff all 31 engines. COVID is also impacting availability of wildfire suppression resources, and will likely continue into 2021. The request also includes a pickup for the fire bureau and two crew carriers to transport fire crews to incidents within the state. It takes 5 extended cab pickup trucks to transport the same number of people that 2 crew carriers can. The crew carriers offer safer transportation in the event of a rollover, better areas for gear storage, and a communication system in the rig with individual headsets for briefing and information sharing en route to an incident. The Thorn Creek Butte repeater will allow communication between Boise interagency dispatch, the southwest supervisory area and the fire suppression crews and eliminates grave safety concerns. Linking hardware will connect 3 mountaintop repeaters to provide seamless radio coverage across 750,000+ acres.</p>								
	Resource Specialist, Sr. (Salary & Benefits - 8 mo. To 10	\$0	\$281,100	\$0	\$0	\$281,100	PC	10.00	Ongoing
	Pickup - 1/2 ton, 4X4 (WERF)	\$0	\$42,200	\$0	\$0	\$42,200	CO	0.00	One Time
	Fuel & Maintenance - Pickup	\$0	\$1,000	\$0	\$0	\$1,000	OE	0.00	Ongoing
	Two 10-person Crew Carriers (WERF)	\$0	\$540,000	\$0	\$0	\$540,000	CO	0.00	One Time
	Fuel & Maintenance - Crew Carriers	\$0	\$2,000	\$0	\$0	\$2,000	OE	0.00	Ongoing
	Repeater - Thorn Creek Butte (WERF)	\$0	\$20,000	\$0	\$0	\$20,000	CO	0.00	One Time
	Linking Hardware for 3 Radio Repeaters (WERF)	\$0	\$30,000	\$0	\$0	\$30,000	CO	0.00	One Time
		\$0	\$916,300	\$0	\$0	\$916,300		10.00	

Priority	Description	General Fund	Dedicated Fund	Federal Fund	Earnings Reserve Fund	Total	Object	FTPs	Ongoing or OneTime
<b>2</b>	<b><u>LAAC: Lands Program Manager, Rangeland Conservation</u></b>								
	This position would coordinate IDL rangeland conservation and restoration activities both internally and externally and ensure the productivity of our rangeland assets as to maximize the long-term financial returns to the endowment beneficiaries. The individual in the position would also serve as IDL's "seat at the table" for the multitude of rangeland partnerships and collaboratives currently taking place and would also coordinate with the BLM and other agencies whose activities may impact endowment lands. This individual would work closely with IDL range staff predominantly in the Southwest, Eastern, and Payette Lakes area field offices and would coordinate rangeland conservation efforts including but not limited to: post fire rehabilitation, strategic fuel breaks, juniper removal, prescribed burning, sage grouse plan implementation, and livestock forage improvement projects.								
	Salary & Benefits - 80% of Grade N	\$0	\$0	\$0	\$93,500	\$93,500	PC	0.00	Ongoing
	Office Supplies, Training, Travel, Rent	\$0	\$0	\$0	\$12,000	\$12,000	OE	0.00	Ongoing
	Pickup - 1/2 ton	\$0	\$0	\$0	\$42,200	\$42,200	CO	0.00	One Time
	PC and Office Furniture	\$0	\$0	\$0	\$3,000	\$3,000	CO	0.00	One Time
		\$0	\$0	\$0	\$150,700	<b>\$150,700</b>		<b>0.00</b>	
<b>3</b>	<b><u>LAAB: Phodar and Drone Support</u></b>								
	The request is to add a second small drone to the Technical Services UAS program that will allow for timely project completion. This request also adds a LiDAR sensor that will enable the acquisition LiDAR data for our scattered endowment parcels when it is not available via fixed wing contractors. Request is also for the acquisition PhoDAR data to support endowment timber growth modeling of the LiDAR stand based inventory data. Finally, the laptop and workstation will support the necessary data processing and analysis work needed.								
	PhoDAR Data Acquisition	\$0	\$0	\$0	\$70,000	\$70,000	OE	0.00	One Time
	LiDAR Sensor	\$0	\$0	\$0	\$15,000	\$15,000	CO	0.00	One Time
	Drone, small	\$0	\$0	\$0	\$2,000	\$2,000	CO	0.00	One Time
	Remote Sensing Field Laptop	\$0	\$0	\$0	\$2,000	\$2,000	CO	0.00	One Time
	Remote Sensing Work Station	\$0	\$0	\$0	\$2,000	\$2,000	CO	0.00	One Time
		\$0	\$0	\$0	\$91,000	<b>\$91,000</b>		<b>0.00</b>	
	<b>Grand Totals:</b>	<b>\$0</b>	<b>\$ 916,300</b>	<b>\$0</b>	<b>\$241,700</b>	<b>\$1,158,000</b>		<b>10.00</b>	

*Additional* funds needed to convert  
12 Fire Temps to 12 Permanent Fire Employees:

■ Current Cost of 12 Temporary Employees:

*Salary:* \$ 24,290 (for ~1394 hours)

*Benefits:* \$ 18,638

*Subtotal:* \$ 42,928

X 12: \$515,136

■ Cost of 12 Permanent Grade L Employees (.83 FTP each):

*Salary:* \$ 43,257

*Benefits:* \$ 23,095

*Subtotal:* \$ 66,352

X 12: \$796,224

$\$796,224 - \$515,136 = \underline{\underline{\$281,088}}$

# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020

## Resource Protection and Assistance Bureau Biannual Report

The Resource Protection and Assistance (RPA) Bureau houses the non-endowment regulatory functions within the Division of Minerals, Public Trust, and Oil and Gas. The Public Trust Program administers mostly lake encroachment permits and submerged lands leases, and the Minerals Program administers the surface mining reclamation plans, dredge and placer permits, and abandoned mine land projects. The Public Trust Program is self-supported through a dedicated account, and the Minerals Program is supported through a mixture of general fund and dedicated fund sources.

### Public Trust Program

#### PAST 6-MONTH HIGHLIGHTS

- **Instrument Activity.** Instruments issued FY2014 through FY2020:

Table 1: Public Trust Historical Instrument Numbers							
Instrument Type	2014	2015	2016	2017	2018	2019	2020
Encroachment Permits Issued	208	282	327	289	338	412	383
Active Submerged Land Leases	182	179	185	192	180	172	179
New Submerged Land Leases	12	26	11	8	36	48	24
Active Riverbed Mineral Leases	4	3	2	2	2	2	3
New Riverbed Mineral Leases	0	0	1	0	0	0	0
Active Exploration Locations	14	10	2	3	4	2	3
New Exploration Locations	0	2	0	1	2	4	0
New Submerged Land Easements	13	11	27	6	2	3	2
New Disclaimers of Interest	9	2	2	1	3	0	1

- **Rulemaking.** Following negotiated rulemaking in 2019, the amended rules became effective on March 20, 2020, and the Department began charging increased fees for encroachment permits. Since then, the Department has collected the new fee with 79 applications resulting in an increase of \$10,525.
- **Noncompliances.** Between January 1, 2020 and June 30, 2020, the Department issued 63 notices of noncompliance and 12 notices of resolution. Currently, the Department is continuing to work with 83 individuals to correct noncompliances that were previously provided notice of noncompliance.

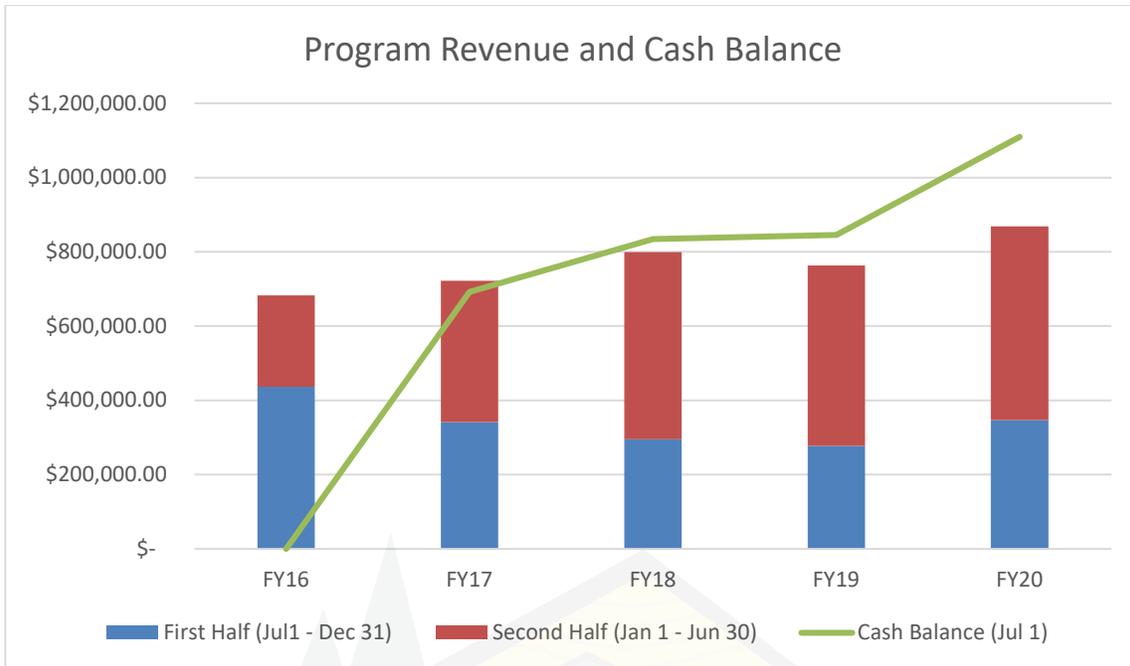
- **Unpermitted Buoys on Hayden Lake and the Spokane River.** Lakefront owners are placing buoys on the water without authorization in an effort to protect their property from boat wakes. Rules only allow government agencies to obtain permits for navigational encroachments like these. The Department has authorized Kootenai County to place 16 navigational buoys on the Spokane River and 16 on Hayden Lake. On the Spokane River, the Department's educational and enforcement efforts have lowered the number of unauthorized buoys from over 70 in 2018 down to 5 observed last month. The Department began addressing buoys on Hayden Lake this year and has already seen the number of unauthorized buoys drop from 56 in May 2020 to 16 observed last month.
- **Administrative Hearings.** Between January 1, 2020 and June 30, 2020, the Department has ordered three public hearings and three contested case hearings on encroachment permit applications. One hearing was vacated after the application was withdrawn, three applications were conditionally approved, one was denied, and a decision has not yet been issued for the July 23, 2020 hearing on North Idaho Maritime's commercial application.

#### NEXT SIX MONTHS

- **New Resource Specialist in North Idaho.** Following appropriation by the 2020 legislative session, the Department is preparing to post the recruitment notice for a new Resource Specialist position located in our Mica Area Office. This position is dedicated to the Public Trust Program.
- **Lake Protection Act Inspection Goal.** Conducting inspections is one of the Department's core tasks in fulfilling its mission to protect Idaho's natural resources. Through inspections, the Department gathers critical information needed to process applications and verify compliance with regulations. Bureau staff collaborated with Operations staff to set an inspection goal of 190. Half-way through the year, the Department Operations staff have reported completing 40 inspections.

#### FINANCIAL UPDATE

- The Department generated \$868,479 from navigable waterways in FY20. Revenue exceeded expenses for the third year in a row. The Department continues to achieve its moonshot goal to fund 100% of the management of navigable waterways by dedicated funds. At the February 18, 2020 Land Board Meeting, the Department reported about \$140,000 in revenue for the first half of the fiscal year. This amount did not include over \$200,000 received in December. The table below shows the correct revenue received during the first half of the fiscal year.



## Regulatory Minerals Program

### PAST 6-MONTH HIGHLIGHTS

- Large Mine Reviews.** Participation continues for the Stibnite Gold Project Environmental Impact Statement (EIS) in the Payette Lakes Area. A Forest Service Draft EIS is scheduled for publication this August. A Final EIS was issued for the East Smoky expansion of the Smoky Canyon phosphate mine. Two reclamation plans were approved for hardrock mines in central and northern Idaho. One mine is an expansion of an open pit mine near Murray, Idaho. The other is for an underground and surface mine near Elk City, Idaho.
- Negotiated Rulemaking for IDAPA 20.03.02.** Negotiations on the Mined Land Reclamation Rules are concluding. A few items regarding financial assurance are still being worked through. The Department is working to complete the proposed rule for publication in the special September Omnibus Fee Rule Administrative Bulletin.

### LOOKING FORWARD

- Inspection Schedules.** A five-year inspection schedule has been drafted and is being reviewed with Operations staff. Implementation will start later this year and focus on mines identified during a recent bond audit.
- Implementation of Financial Assurance Calculators.** The Department has acquired the Standard Reclamation Cost Estimator developed and used in Nevada, where it is accepted by agencies and the industry in that state. The Department has reached out to mine operators in Idaho with favorable feedback for implementation. Equipment

and wage rates are different in Idaho, so staff is in the process of updating the Cost Data File used in the software.

**TOTAL PERMITS AND BONDING**

The Department currently regulates 1,580 mine sites covered by reclamation plans and 28 covered by dredge and placer permits. The mines are presented in Table 3 by area and category, and Table 4 displays historical plan numbers.

<b>Table 3: Current Mine Permit Categories by Supervisory Area</b>				
<b>IDL Area</b>	<b>Sand and Gravel Mines (IDAPA 20.03.02.069)</b>	<b>Hardrock, Phosphate &amp; Complex Industrial (IDAPA 20.03.02.070)</b>	<b>Cyanidation Mines (IDAPA 20.03.02.071)</b>	<b>Dredge and Placer Permits (IDAPA 20.03.01)</b>
Clearwater	33	-	-	-
Eastern	723	20	-	1
Maggie Creek	60	3	-	2
Mica	33	1	-	6
Payette Lakes	112	2	-	2
Pend Oreille Lake	134	-	-	-
Ponderosa	58	1	-	-
Priest Lake	16	-	-	-
Southwest	315	2	-	1
St. Joe	67	-	-	16
<b>TOTAL</b>	<b>1,551</b>	<b>29</b>	<b>-</b>	<b>28</b>

<b>Table 4: Regulatory Minerals Historical Instrument Numbers</b>									
<b>Instrument Type</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Surface Mining</b>									
New Reclamation Plans	36	20	20	25	36	24	18	28	17
Retirements	23	7	17	14	36	15	22	9	13
Total Reclamation Plans	1,496	1,536	1,537	1,528	1,530	1,542	1,540	1,561	1,580
<b>Dredge and Placer</b>									
New/Amended Dredge and Placer Permits	4	1	0	1	3	3	1	2	0
Retirements	-	-	-	-	-	2	0	1	0
Total Dredge and Placer Permits	24	25	25	25	25	26	27	28	28
<b>Note:</b> Inspections, Amendments, and Noncompliance are not currently tracked but will be with the implementation of the Land Information Management System (LIMS)									

For reclamation plans and dredge and placer permits, operators are eligible to provide bonding through traditional methods or the Bond Assurance Fund (BAF). Tables 5 and 6 list the acres and bond amounts currently in place for different types of mining operations. Created in 2006, the BAF provides another reclamation bonding option for small operators. Participation in the BAF is limited to disturbance equivalent to 40 acres or \$220,000 in liability. This is a dedicated account with revenue from annual fees of approximately \$147,000 per year. Billings are mailed in September with a November 1 due date.

<b>Table 5: Bonding for Sand and Gravel, Light Industrial, and Placer Permits</b>								
	<b>Reclamation Plans (IDAPA 20.03.02.069)</b>				<b>Dredge and Placer Permits (IDAPA 20.03.01)</b>			
	<b>Plans</b>	<b>Permitted Acres</b>	<b>Total Bond</b>	<b>Bond/Acre</b>	<b>Permits</b>	<b>Affected Acres</b>	<b>Total Bond</b>	<b>Bond/Acre</b>
Traditional Bond <sup>1</sup>	278	12,560	\$12.8 Million	\$1,019	21	188	\$211K	\$1,119
Bond Assurance Fund	631	32,392	n/a	n/a	7	280	n/a	n/a

<sup>1</sup> Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

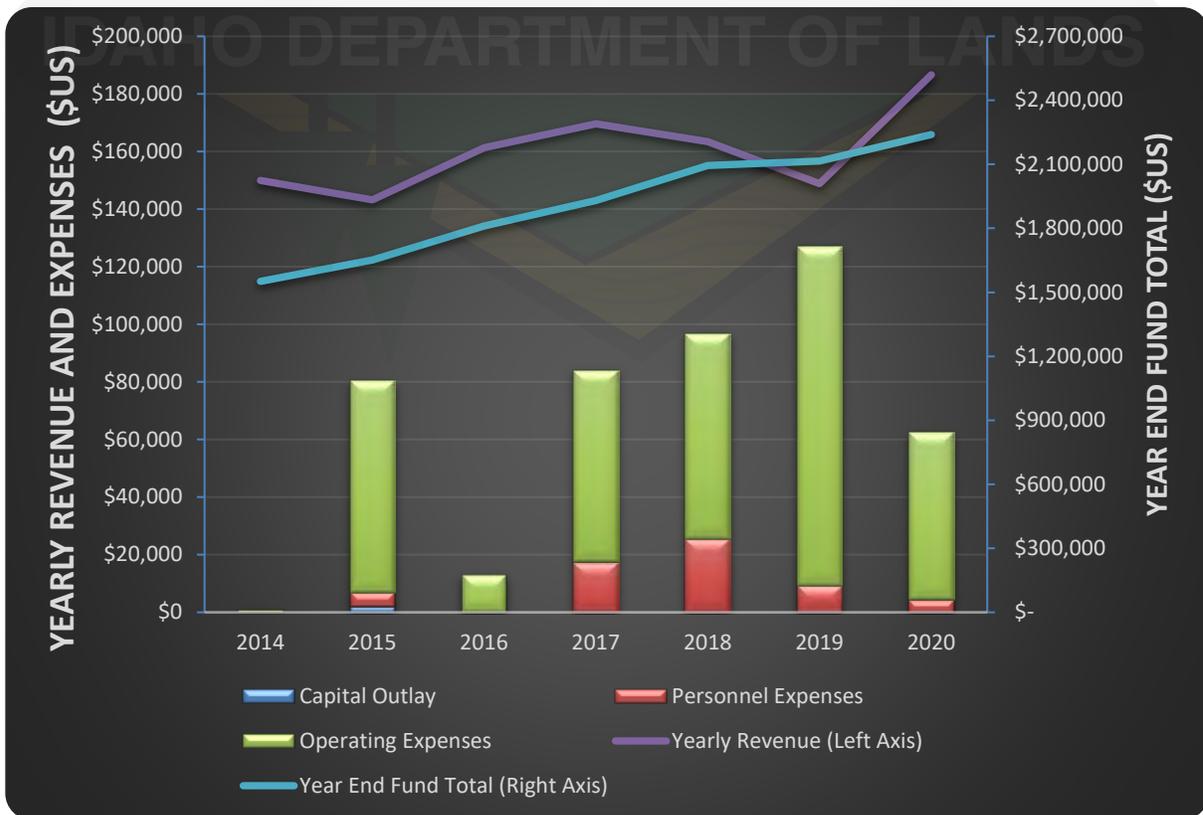
<b>Table 6: Bonding for Hardrock, Phosphate &amp; Complex Industrial</b>				
	<b>Reclamation Plans (IDAPA 20.03.02.070)</b>			
	<b>Permits</b>	<b>Permitted Acres</b>	<b>Total Bond</b>	<b>Bond/Acre</b>
Traditional Bond <sup>1</sup>	29	21,572	\$110 Million	\$5,100

<sup>1</sup> Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

Table 7 shows revenue from the FY2020 BAF billing. Figure 1 illustrates the revenue, expenditures, and balance for this fund.

Table 7: Bond Assurance Fund Billing (For FY 2020)				
Disturbance (ACRES)	Annual Fee Schedule (\$)	Total Permits Distribution	Total Annual Fees Due (\$)	Annual Fees Collected Through 06/30/2020
Mineral Leases	\$100	0	\$0	\$0
2 acres or less	\$100	155	\$17,600	\$15,300
> 2 acres ≤ 5 acres	\$200	156	\$35,000	\$31,800
> 5 acres ≤ 10 acres	\$250	144	\$32,500	\$33,500
> 10 acres ≤ 15 acres	\$300	60	\$21,300	\$18,600
> 15 acres ≤ 20 acres	\$350	38	\$10,500	\$11,200
> 20 acres ≤ 25 acres	\$400	26	\$10,400	\$8,400
> 25 acres ≤ 30 acres	\$450	21	\$6,750	\$6,750
> 30 acres ≤ 35 acres	\$500	10	\$6,000	\$6,000
> 35 acres ≤ 40 acres	\$550	12	\$4,950	\$5,500
<b>TOTAL</b>		<b>631</b>	<b>\$147,400</b>	<b>\$137,050</b>

Figure 1: Bond Assurance Fund - Revenue, Expenditures, and Fund Balance

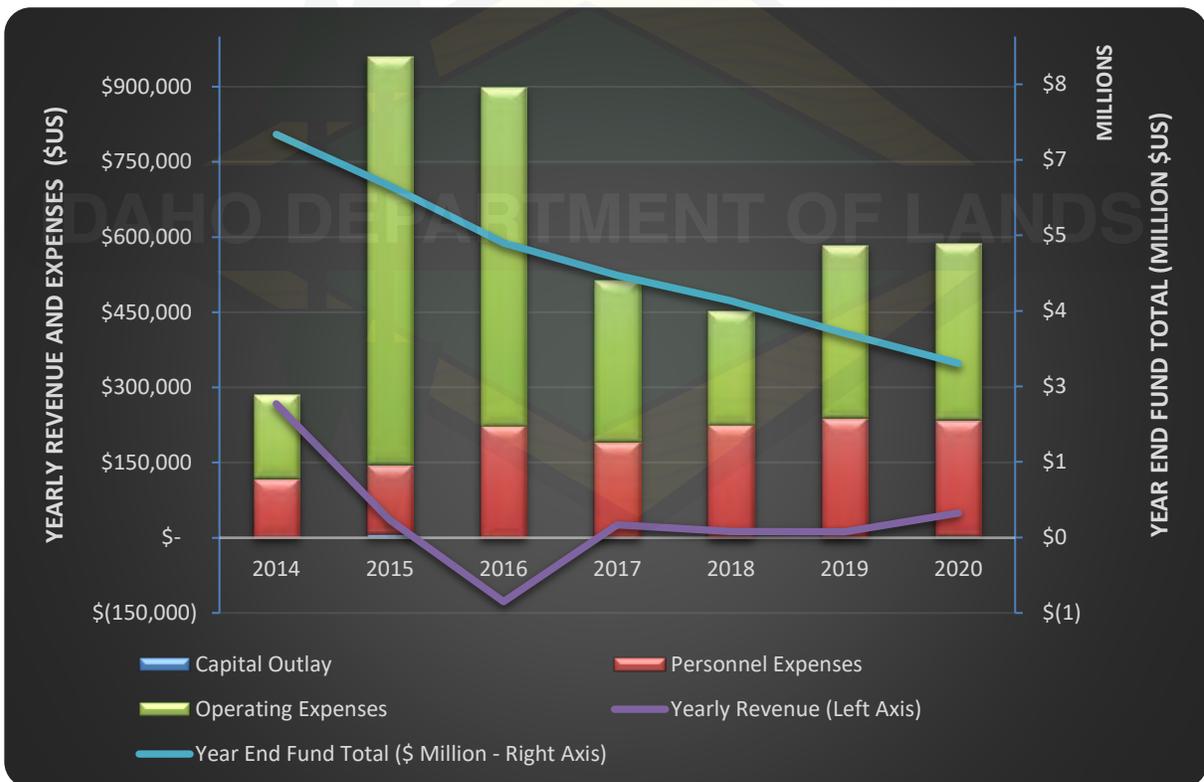


## ABANDONED MINE LANDS

The abandoned mine lands (AML) program is funded through 34% of Idaho's Mine License Tax, a 1% net tax of Idaho's mining industry (excluding sand and gravel as described in Idaho Code § 47-1205). The Department's share of income for the second half of FY20 was over \$37,000 for a year-end total of \$39,732. This was the highest yearly income since 2014. Table 8 lists the projects worked on in the second half of FY2020. Figure 2 illustrates the revenue, expenditures, and balance for this fund.

Table 8: Abandoned Mine Lands Projects January through July, 2020	
Project Name	Project Description
Triumph Mine	Sampling, ground water modeling, site drainage, NPDES permitting.
Idaho Geological Survey	AML information compilation and digitization.
Gilmore District	2 mine openings closed.

Figure 2: AML Fund - Revenue, Expenditures, and Fund Balance



# STATE BOARD OF LAND COMMISSIONERS

August 18, 2020  
Information Agenda

## Subject

Proposed Rules—Omnibus Fee Rulemaking

## Background

To ensure the continuity of previously approved administrative rules, the Idaho State Board of Land Commissioners (Board) adopted omnibus temporary rules on February 18, 2020. The temporary rules were conditional and to be effective sine die of the 2020 legislative session if the Idaho Legislature did not otherwise approve or reject the pending and temporary rules submitted for their review.

The Legislature adjourned the 2020 session without approving the fee rules, and temporary fee rules became effective on March 20, 2020 (sine die). All fee rule chapters of the Idaho administrative code are currently temporary rules and will continue in effect to the end of the 2021 legislative session.

The Governor has directed all state executive agencies to publish proposed fee rules in a special edition of the Idaho Administrative Bulletin in September 2020. All agencies are required to submit an omnibus *Notice of Proposed Rulemaking* to the Division of Financial Management (DFM) by August 19, 2020.

Further, as required by House Bill 141 and to implement the 2019 amendments to the Idaho Mined Land Reclamation Act<sup>1</sup> (Title 47, Chapter 15, Idaho Code), the Idaho Department of Lands (Department) initiated negotiated rulemaking regarding IDAPA 20.03.02, *Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities* in May 2019 (Attachment 1).

The Board adopted a temporary rule for IDAPA 20.03.02 on July 16, 2019, with the amended chapter title of *Rules Governing Mined Land Reclamation* (Attachment 2). Negotiated rulemaking continued in fall 2019 and spring/summer 2020 to formulate a proposed rule for IDAPA 20.03.02.

## Discussion

The Department will submit an appropriate *Notice of Proposed Rulemaking* to be published in a special edition of the Idaho Administrative Bulletin in September 2020. The attached draft notice lists all previously approved fee rules under IDAPA 20, rules of the Idaho Department of Lands (Attachment 3).

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<sup>1</sup> Prior to July 1, 2019 known as Idaho Surface Mining Act

Apart from IDAPA 20.03.02, *Rules Governing Mined Land Reclamation*, the proposed rules will be re-published as previously submitted to and reviewed by the Idaho Legislature. The proposed rule for IDAPA 20.03.02 will incorporate changes recommended through the negotiated rulemaking process.

The Department will invite the public to continue to participate in the rulemaking process: a public hearing on the proposed rules will be scheduled, and the public may submit written comments during the 21-day comment period. After consideration of all comments received, the Department will present a recommendation to the Board on adoption of a pending rule.

### **Attachments**

1. Approved Board Memo - March 19, 2019
2. Approved Board Memo - July 16, 2019
3. Draft Notice of Omnibus Rulemaking – Proposed Fee Rulemaking



## STATE BOARD OF LAND COMMISSIONERS

March 19, 2019

Regular Agenda

### Subject

Negotiated and temporary rulemaking for IDAPA 20.03.02 *Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities.*

### Background

The Idaho Department of Lands (Department) is responsible for providing regulatory oversight of surface mining activities on state, federal, and private lands in Idaho pursuant to Title 47, Chapter 15, Idaho Code, and IDAPA 20.03.02.

The legislature is currently considering House Bill 141 (Attachment 1), which would appreciably change the Idaho Surface Mining Act. This bill is sponsored by the Idaho Mining Association and would make the first significant changes to the Idaho Surface Mining Act in almost 50 years. The bill passed the House February 28, 2019, and is now being considered in the Senate. If passed by the Senate and signed by the governor, the Department is required to have a temporary rule in place by August 1, 2019.

### Discussion

House Bill 141 would amend the Idaho Surface Mining Act to:

- require reclamation plans for the surface impacts of underground mines;
- allow the Department to collect reasonable fees for reclamation plans;
- expand reclamation plans to include post-closure activities such as water treatment;
- provide requirements for performing all reclamation tasks described in a plan and for submitting financial assurance that covers all tasks within a plan;
- include actual cost estimation of reclamation activities;
- add additional types of financial assurance to give operators the flexibility needed for long-term post-closure activities;
- require the Department to review plans at least once every five years; and
- require a temporary rule to be implemented by August 1, 2019.

The statutory changes outlined in House Bill 141 do not provide adequate detail to be fully implemented by the Department. The fee structure, application and plan requirements for underground mines, post-closure planning, financial assurance determination, and sideboards for providing financial assurance through corporate guarantees must be provided for in rule.

Anticipating that House Bill 141 will be approved, the Department is seeking to start the negotiated rulemaking process now to allow time for input on a temporary rule from

interested parties. The temporary rule would be presented for approval by the State Board of Land Commissioners (Land Board) in July to satisfy the August 1, 2019 deadline.

Negotiated rulemaking meetings would consider both a temporary rule (until July) and a proposed rule concurrently. The temporary rule would be in place immediately upon Land Board approval and remain in effect until a proposed rule is completed through negotiated rulemaking and approved by the Land Board and the legislature. Attachment 2 is a draft timeline for the proposed and temporary rulemakings, and Attachment 3 is a map showing where reclamation plans are located and where rulemaking meetings are planned throughout the state.

If approved by the Land Board, the Department would start negotiated rulemaking in May, post rule drafts and supporting documentation on our website to keep participants well-informed, and reach out to current and potential permittees as we develop a list of stakeholders. Entering into negotiated rulemaking in May would allow for over two months of negotiations before the temporary rule must be submitted in July.

### **Recommendation**

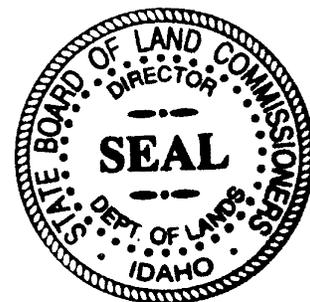
Authorize the Department to proceed with negotiated rulemaking and development of a temporary rule for IDAPA 20.03.02 *Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities*.

### **Board Action**

A motion was made by Attorney General Wasden that the Board approve the Department recommendation, that is authorize the Department to proceed with negotiated rulemaking and development of a temporary rule for IDAPA 20.03.02 Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

### **Attachments**

1. House Bill 141 with Statement of Purpose and Fiscal Note
2. Rulemaking draft timeline
3. Map: Rulemaking meeting locations and reclamation plans



## STATE BOARD OF LAND COMMISSIONERS

July 16, 2019  
Regular Agenda

### Subject

Adoption of a Temporary Rule to Implement House Bill 141 (Amendments to Idaho Surface Mining Act)

### Question Presented

Shall the Board adopt the Temporary Rule for IDAPA 20.03.02, with an effective date of July 16, 2019.

### Background

The Idaho Department of Lands (Department) is responsible for providing regulatory oversight of mining activities on state, federal, and private lands in Idaho pursuant to Title 47, Chapter 15, Idaho Code (Act), and IDAPA 20.03.02, *Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities*.

During the 2019 regular session, the legislature passed House Bill 141 (Attachment 1), which significantly changed the Act. The Act is now titled the Idaho Mined Land Reclamation Act, and became effective on July 1, 2019.

The Act requires temporary rules to be implemented by August 1, 2019, and contains several significant changes:

- Requires reclamation plans for the surface impacts of underground mines;
- Allows the Department to collect reasonable fees for reclamation plans;
- Expands reclamation plans to include post-closure activities, such as water treatment;
- Provides requirements for performing all reclamation tasks described in a plan and for submitting financial assurance that covers all tasks within the plan;
- Includes actual cost estimation of reclamation activities;
- Adds additional types of financial assurance to give operators flexibility needed for long-term post-closure activities;
- Requires the Department to review every plan at least once every five years.

The Department received Land Board approval in March 2019 to develop a Temporary Rule that implements the amendments to the Act, and to enter negotiated rulemaking to formulate a Proposed Rule.

## Discussion

The Department has done extensive research for the Temporary Rule (Attachment 2) with 70 documents posted to its website covering a total of over 2,400 pages of material. Ten negotiated rulemaking meetings were held in Boise, Pocatello, Challis, Coeur d'Alene, and McCall in May and June, and 110 non-Department attendees signed in at these meetings. Participants included the Idaho Mining Association, Department of Environmental Quality, Environmental Protection Agency, United States Forest Service, Bureau of Land Management, Idaho Conservation League, Association of General Contractors, and several mining operators and members of the public.

The Department appreciates the broad participation during the rulemaking meetings. Many changes to the rule text have been made based on input from the participants, and the Department thanks individuals for assisting with this complicated rulemaking. During the two-month rulemaking, the Department received over 60 written comments. These comments, the draft rule text, reference materials, and other information is posted to the Department's rulemaking web page.

While some additional work is needed through continued negotiated rulemaking before moving forward with a Proposed Rule, the Temporary Rule presented today can implement changes to the Act that resulted from House Bill 141 until negotiations are completed.

Several topics were covered in the rulemaking. Following are details on the topics of fees, underground mines, financial assurance, and requiring plans to address potential water quality related impacts.

The application fees in the Temporary Rule are provided below from Section 068 on page 10 of the rule.

Type of Plan	Fee (Dollars)
Section 069 of these rules, Reclamation Plan 0 to 5 acres	Five hundred (\$500)
Section 069 of these rules, Reclamation Plan >5 to 40 acres	Six hundred (\$600)
Section 069 of these rules, Reclamation Plan over 40 acres	Seven hundred fifty (\$750)
Section 070 of these rules, Reclamation Plan 0 to 100 acres	One thousand (\$1,000)
Section 070 of these rules, Reclamation Plan >100 to 1,000 acres	One thousand five hundred (\$1,500)
Section 070 of these rules, Reclamation Plan >1,000 acres	Two thousand (\$2,000)
Section 071 of these rules, Permanent Closure Plan	Five thousand (\$5,000)

Over the last seven years, 78% of the reclamation plans processed were sand and gravel, decorative stone, or similar plans reviewed under Section 069 and over five acres in size; 19% of the plans processed were five acres or less in size. Based on a 2016 workload analysis and current cost data, the average cost for the Department to process a reclamation plan under Section 069 is \$634. The graduated application fees acknowledge that smaller plans take less effort to process, and larger or more complicated plans take more effort to process. Additional work is needed in developing a Proposed Rule to more accurately determine the costs of processing plans under Section 070 and how best to tailor the fees to those costs.

The fees in the Temporary Rule are in the range of those charged by other western states with similar mining activity.

For underground mines, the rules will not apply to existing underground mines until a mine exceeds its existing surface disturbance by 50% or more after July 1, 2019. That requirement is in House Bill 141. For new underground mines, or mines that meet the 50% expansion, they will need to apply for a reclamation plan under Section 070 of the rules. In addition to the requirements previously applied to surface mines, plans for underground mines will need to show the location and dimension of each underground mine opening on the surface and describe how the openings will be secured during reclamation to eliminate the safety hazard.

Changes to Sections 120 and 121 (pages 23 to 29) regarding how to determine financial assurance are included in the Temporary Rule. Actual cost calculations are required for all plans over five acres in size, and those calculations will be subject to review and approval by the Department. Indirect costs must be included, as is standard practice for other state and federal agencies. Salvage value is not allowed for structures or fixtures, which is also a standard practice.

Most of the changes regarding types of financial assurance in Section 122 (pages 29 to 33) are borrowed from regulations of other state and federal agencies. Surety bonds and certificates of deposit have improved requirements. New types of financial assurance are described, including time deposit receipts, real property, trusts, and corporate guarantees. The requirements in the Temporary Rule for these instruments are fairly thorough. Many comments were received objecting to the use of corporate guarantees, or to specific requirements for them in the rules. This form of financial assurance is, however, specifically authorized by House Bill 141. With the financial tests and other sideboards in the Temporary Rule, the Department believes the correct balance is met between following legislative intent and minimizing the risk of default with a corporate guarantee.

The issues related to maintaining water quality standards and addressing post-closure require the most additional work during continued negotiated rulemaking to develop a Proposed Rule. Sections 47-1506(a)(1)(vii) and (viii), Idaho Code, now require an operator to include in their reclamation plan:

"(vii) A description of foreseeable water quality impacts from mining operations and proposed water management activities to comply with water quality requirements.

(viii) A description of post-closure activities."

These paragraphs replace two paragraphs that previously only required an operator to address these issues for nonpoint sources of water quality impacts and acid rock drainage. The Department believes that a geochemical characterization of waste rock, tailings, and other materials is needed for an operator to show how their mine design will comply with the new language in the statute. Consensus was not achieved on this issue. For the

Temporary Rule, the Department left existing language regarding acid rock drainage intact. The statute can be implemented as it is until agreement can be reached on a Proposed Rule.

In addition to the above changes due to House Bill 141, some rule changes were made to comply with the Red Tape Reduction Act. Definitions repeated from statute are deleted, and a reference is made to the statute to guide the reader to the corresponding definition(s). Some clarification and reorganization was also done throughout the rule to make it easier to follow. More consolidation for a Proposed Rule may be possible, and will be considered during additional negotiations.

In conclusion, the Department believes this Temporary Rule can be used to implement the changes to the Idaho Mined Land Reclamation Act on a short-term basis. If approved by the Land Board, the Department will submit the *Notice of Adoption of Temporary Rule* to the Office of the Administrative Rules Coordinator for publication in the September issue of the Administrative Bulletin. The Department will continue negotiated rulemaking to develop a Proposed Rule that addresses the outstanding concerns of the rulemaking participants.

## **Recommendation**

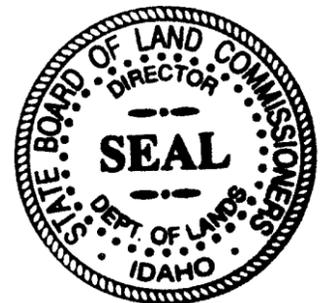
Adopt the Temporary Rule for IDAPA 20.03.02, with the amended chapter title of *Rules Governing Mined Land Reclamation* and an effective date of July 16, 2019.

## **Board Action**

A motion was made by Controller Woolf that the Board approve the Department recommendation to adopt the Temporary Rule for IDAPA 20.03.02, with the amended chapter title of *Rules Governing Mined Land Reclamation* and an effective date of July 16, 2019. Secretary Denney seconded the motion. The motion carried on a vote of 4-0.

## **Attachments**

1. House Bill 141 with Statement of Purpose and Fiscal Note
2. Temporary Rule Text



**IDAPA 20 – IDAHO DEPARTMENT OF LANDS  
DOCKET NO. 20-0000-2000F (FEE RULE)**

**NOTICE OF OMNIBUS RULEMAKING - PROPOSED FEE RULEMAKING**

**AUTHORITY:** In compliance with Sections 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to:

- Sections 38-132 and 38-402, Idaho Code;
- Title 38, Chapter 12, including Section 38-1208, Idaho Code;
- Title 47, Chapters 3, 7, 8, 15, 16 and 18, including Sections 47-314(8), 47-315(8), 47-328(1), 47-710, 47-714, and 47-1316, Idaho Code;
- Title 58, Chapters 1, 3, 6, 12 and 13, including Sections 58-104, 58-105, 58-127, and 58-304 through 58-312, Idaho Code;
- Title 67, Chapter 52, Idaho Code;
- Article IX, Sections 7 and 8 of the Idaho Constitution; and
- The Equal Footing Doctrine (Idaho Admission Act of July 3, 1890, 26 Stat. 215, Chapter 656).

**PUBLIC HEARING SCHEDULE:** Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

Public hearing(s) concerning this rulemaking will be held as follows:

*DATE – TIME - LOCATION*

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is the required finding and concise statement of the purpose of the proposed rulemaking:

*(Descriptive summary for IDAPA 20.03.02, Rules Governing Mined Land Reclamation is being drafted.)*

This proposed rulemaking re-publishes the following existing temporary rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 20, rules of the Idaho Department of Lands:

**IDAPA 20**

- 20.02.14, Rules for Selling Forest Products on State-Owned Endowment Lands
- 20.03.01, Rules Governing Dredge and Placer Mining Operations in Idaho
- 20.03.03, Rules Governing Administration of the Reclamation Fund
- 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho
- 20.03.05, Riverbed Mineral Leasing in Idaho
- 20.03.08, Easements on State Owned Lands
- 20.03.09, Easements on State Owned Submerged Lands and Formerly Submerged Lands
- 20.03.13, Administration of Cottage Site Leases on State Lands
- 20.03.14, Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases
- 20.03.15, Rules Governing Geothermal Leasing on Idaho State Lands
- 20.03.16, Rules Governing Oil and Gas Leasing on Idaho State Lands
- 20.03.17, Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands
- 20.04.02, Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws

- 20.06.01, Rules of the Idaho Board of Scaling Practices
  - In this proposed rulemaking, the Idaho Board of Scaling Practices re-publishes the existing temporary rule previously submitted to and reviewed by the Idaho Legislature.
- 20.07.02, Rules Governing Conservation of Oil and Natural Gas in the State of Idaho
  - In this proposed rulemaking, the Oil and Gas Conservation Commission re-publishes the existing temporary rule previously submitted to and reviewed by the Idaho Legislature.

**FEE SUMMARY:** (*Fee summary for IDAPA 20.03.02, Rules Governing Mined Land Reclamation is being drafted: Application fee for reclamation plans and permanent closure plans.*)

For the following rule chapters, this rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature.

The following is a specific description of the fees or charges:

- 20.02.14 – Stumpage payments and associated bonding for removal of state timber from endowment land pursuant to timber sales.
- 20.03.01 – Application fee, amendment fee, assignment fee, and inspection fee for all dredge and placer permits in the state of Idaho.
- 20.03.03 – Annual payment for Reclamation Fund participation.
- 20.03.04 – Application fees for encroachment permits and assignments and deposits toward the cost of newspaper publication.
- 20.03.05 – Fees for applications, advertising applications, exploration locations, and approval of assignments for riverbed mineral leasing.
- 20.03.08 – Application fee, easement consideration fee, appraisal costs, and assignment fee for easements on state-owned lands.
- 20.03.09 – Administrative fee, appraisal costs, and assignment fee for easements on state-owned submerged lands and formerly submerged lands.
- 20.03.13 – Annual rental payment paid to the endowment for which the property is held.
- 20.03.14 – Lease application fee, full lease assignment fee, partial lease assignment fee, mortgage agreement fee, sublease fee, late rental payment fee, minimum lease fee, and lease payment extension request fee on state endowment trust lands.
- 20.03.15 – Application fee, assignment fee, and late payment fee for geothermal leases on state-owned lands.
- 20.03.16 – Exploration location permit fee, nomination fee, and processing fee for oil and gas leases on endowment lands.
- 20.03.17 – Application fee, rental rate, and assignment fee for leases on state-owned submerged lands and formerly submerged lands.
- 20.04.02 – Fee imposed upon the harvest and sale of forest products to establish hazard management performance bonds for the abatement of fire hazard created by a timber harvest operation, and fees imposed upon contractors for transferring fire suppression cost liability back to the State.
- 20.06.01 – Scaling assessment fee paid to a dedicated scaling account for all scaled timber harvested within the state of Idaho; administrative fees for registration, renewal, and transfer of log brands; fees for testing and issuance of a temporary scaling permit, specialty scaling license, and standard scaling license; fee to renew a specialty or standard scaling license; and fee for a requested check scale involving a scaling dispute.
- 20.07.02 – Bonding for oil and gas activities in Idaho and application fees for seismic operations; permit to drill, deepen or plug back; multiple zone completions; well treatment; pits and directional deviated wells.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2021 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

**NEGOTIATED RULEMAKING:** (*Negotiated rulemaking summary for IDAPA 20.03.02, Rules Governing Mined Land Reclamation is being drafted.*) Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking for the other rule chapters was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rules attached hereto.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Amy Johnson at (208) 334-0255 or [rulemaking@idl.idaho.gov](mailto:rulemaking@idl.idaho.gov).

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this August 19, 2020.

Dustin Miller  
Director  
Idaho Department of Lands  
300 N. 6th St, Suite 103  
P.O. Box 83720  
Boise, Idaho 83720-0050  
Phone: (208) 334-0242  
Fax: (208) 334-3698  
[rulemaking@idl.idaho.gov](mailto:rulemaking@idl.idaho.gov)