

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: June 18, 2024

Regular Meetings

6/10/2024	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
6/10/2024	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
6/10/2024	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
6/10/2024	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
6/10/2024	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
6/14/2024	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
6/14/2024	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting.
6/14/2024	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
6/14/2024	Agenda posted electronically on IDL's public website https://www.idl.idaho.gov forty-eight (48) hours before meeting.
6/14/2024	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
6/14/2024	Land Board annual meeting schedule posted – Boise Director's office, Coeur d'Alene staff office, and IDL's public website https://www.idl.idaho.gov .

Special Meetings

	Meeting Notice and Agenda posted in a prominent place in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted in a prominent place in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted electronically on IDL's public website https://www.idl.idaho.gov twenty-four (24) hours before meeting.
	Meeting Notice and Agenda published on Townhall Idaho website https://townhall.idaho.gov twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Meeting Notice or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

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

	Meeting Notice and Agenda posted in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted electronically on IDL's public website https://www.idl.idaho.gov twenty-four (24) hours before meeting.
	Meeting Notice and Agenda published on Townhall Idaho website https://townhall.idaho.gov 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.

June 14, 2024

Recording Secretary

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING JUNE 2024

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, June 18, 2024 in the **State Capitol, House Hearing Room EW42, Lower Level, East Wing, 700 W. Jefferson St., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

Please note location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

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

Members of the public may register to attend the Zoom webinar through this link:

https://idl.zoom.us/webinar/register/WN_v9miFe-6RN-OPRH3j475yg

First Notice Posted: 6/10/2024-IDL Boise; 6/10/2024-IDL CDA

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

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0242



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State Board of Land Commissioners Regular Meeting

June 18, 2024 – 9:00 AM (MT)

Final Agenda

Capitol, House Hearing Room EW42, Lower Level, East Wing, 700 W. Jefferson St., Boise, Idaho

Please note location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means.

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

Trust Land Revenue

A. Timber Sales – May 2024

B. Leases and Permits – May 2024

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

A. Manager's Report

B. Investment Report

Consent—Action Item(s)

3. **Greer Access Site Surplus Property Negotiated Sale (Idaho Fish & Game)** – *Presented by Zane Lathim, Section Manager-Real Estate*

4. **Results of May 16, 2024 Mineral Lease Live Auction** – *Presented by Jason Laney, Section Manager-Leasing*

5. **Forest Legacy Program—Dawson and Skin Creek Easements** – *Presented Jennifer Barker, Program Manager-Forest Legacy*

6. **Strategic Plan FY2025-FY2028** – *Presented by Dustin Miller, Director*

State Board of Land Commissioners

Final Agenda

Regular Meeting – June 18, 2024

Page 1 of 2

7. **State Membership in Timber Protective Associations** – *Presented by Dustin Miller, Director*
8. **Deficiency Warrant Authority for FY2025 Fire Suppression** – *Presented by Dustin Miller, Director*
9. **Approval of Draft Minutes** – May 21, 2024 Regular Meeting (Boise)

Regular—Action Item(s)

10. **Endowment Land Energy Leasing Policy** – *Presented by Roger Hall, Bureau Chief-Real Estate*

Information

11. **Pre-Season Fire Forecast/Update** – *Introduction by Craig Foss, State Forester/Division Administrator-Forestry and Fire*
 - A. Predictive Services Forecast – *Jim Wallmann, Meteorologist, BLM*
 - B. Resource Readiness – *Josh Harvey, Bureau Chief-Fire Management*
 - C. Rangeland Fire Protection Associations – *Josh Harvey, Bureau Chief-Fire Management*

Executive Session (Room EW40)

- A. **General Counsel, Department of Lands**

Idaho Code § 74-206(1)(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. **Performance Evaluation – Director, Department of Lands**

Idaho Code § 74-206(1)(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.

Regular—Action Item(s)

12. **Personnel Matter** – *No Board Materials*



Idaho Statutes

Idaho Statutes are updated to the web July 1 following the legislative session.

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

June 18, 2024

Trust Land Revenue

Timber Sales

During May 2024, the Department of Lands sold ten endowment timber sales at auction. Eight sales had competitive bidding. The net sale value represents a 14% up bid over the appraised value. One endowment timber sale did not sell at auction. The Good Neighbor Authority (GNA) sold one sale at auction with a 3% up bid over the appraised value.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Swamp Witch	POND	5,565			\$ 599,153.50	\$ 1,137,110.05	\$204.33	PotlatchDeltic
Rocky Pine Cedar	POL	2,600			\$ 997,563.50	\$ 1,105,752.00	\$425.29	IFG Timber LLC
Steep Ranger	POL	2,495			\$ 483,211.50	\$ 541,611.40	\$217.08	Stimson Lumber
Lower Curtis Cedar	POL	6,060			\$2,012,913.50	\$ 2,082,576.72	\$343.66	IFG Timber LLC
JP North Ton	PAY	1,095			\$ 123,039.96	\$ 123,039.96	\$112.37	Tamarack Mill LLC
4 Corner Flat	PL	2,955			\$ 597,329.50	\$ 648,525.40	\$219.47	Stimson Lumber
Little Goblin	PL	2,230			\$ 378,813.00	\$ 519,862.00	\$233.12	IFG Timber LLC
Model T Coulee	MC	6,190	170		\$ 892,848.50	\$ 892,848.50	\$140.38	Clearwater Paper
Brown Back Mountain	MC	6,075			\$ 904,786.00	\$ 906,897.00	\$149.28	IFG Timber LLC
Lakefront Yard Cedar	CLW	4,675			\$ 619,080.50	\$ 746,677.00	\$159.72	IFG Timber LLC
Endowment		39,940	170	0	\$7,608,739.46	\$ 8,704,900.03	\$217.03	
Fan Bit GNA Decks	GNA	430			\$ 38,728.50	\$ 39,818.40	\$92.60	Go West Timber
Non-Endowment		430	0	0	\$ 38,728.50	\$ 39,818.40	\$92.60	

PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Stanton Something Cedar	10,735	\$ 1,205,878.00	St. Joe	6/4/2024
First Place Cedar	4,375	\$ 697,713.50	St. Joe	6/4/2024
Twin Chilco OSR	2,870	\$ 603,276.50	Mica	6/17/2024
West Latour*	6,190	\$ 1,509,928.00	Mica	6/17/2024
Smith Sandwich Cedar	7,815	\$ 1,101,269.00	St. Joe	6/24/2024
Retired Sawing Cedar	8,525	\$ 1,414,226.50	St. Joe	6/24/2024
Totals	40,510	\$ 6,532,291.50		

* Approved by Land Board

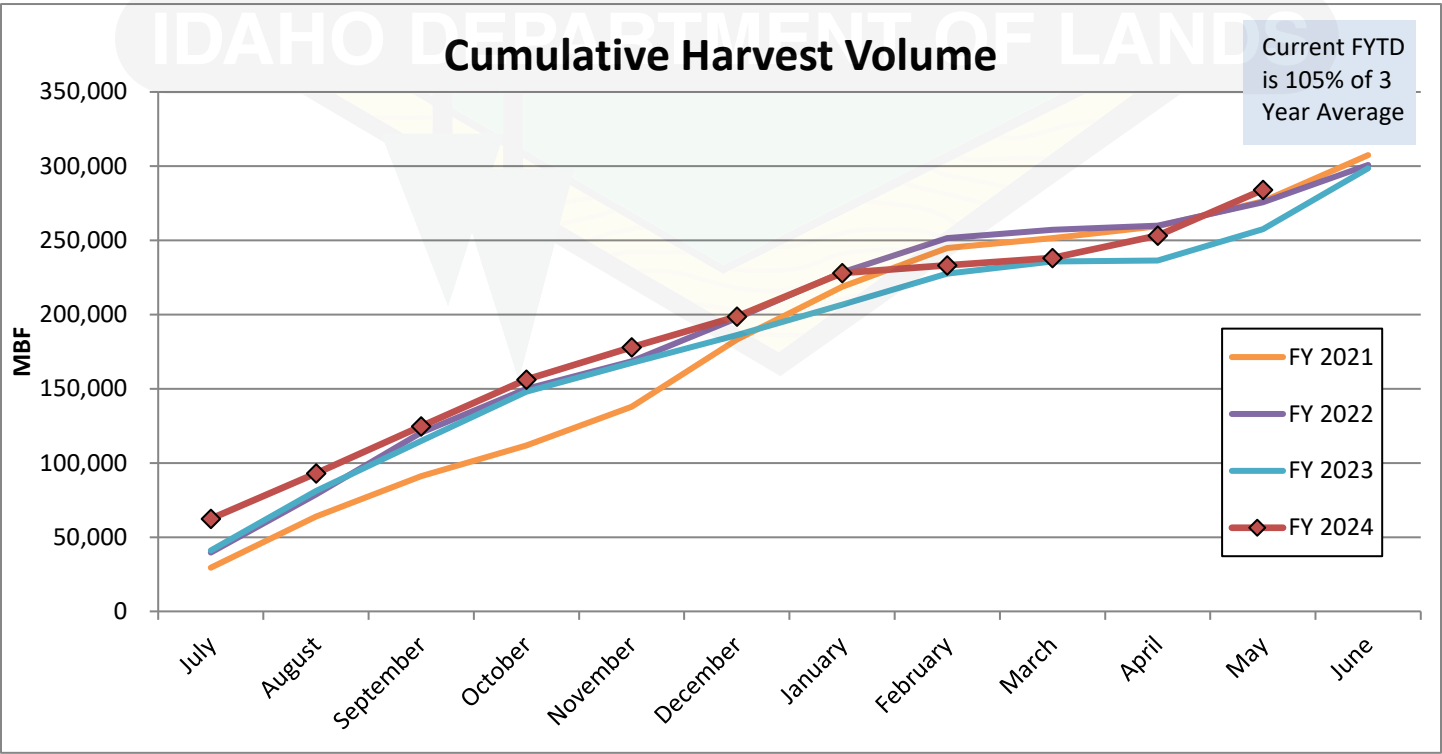
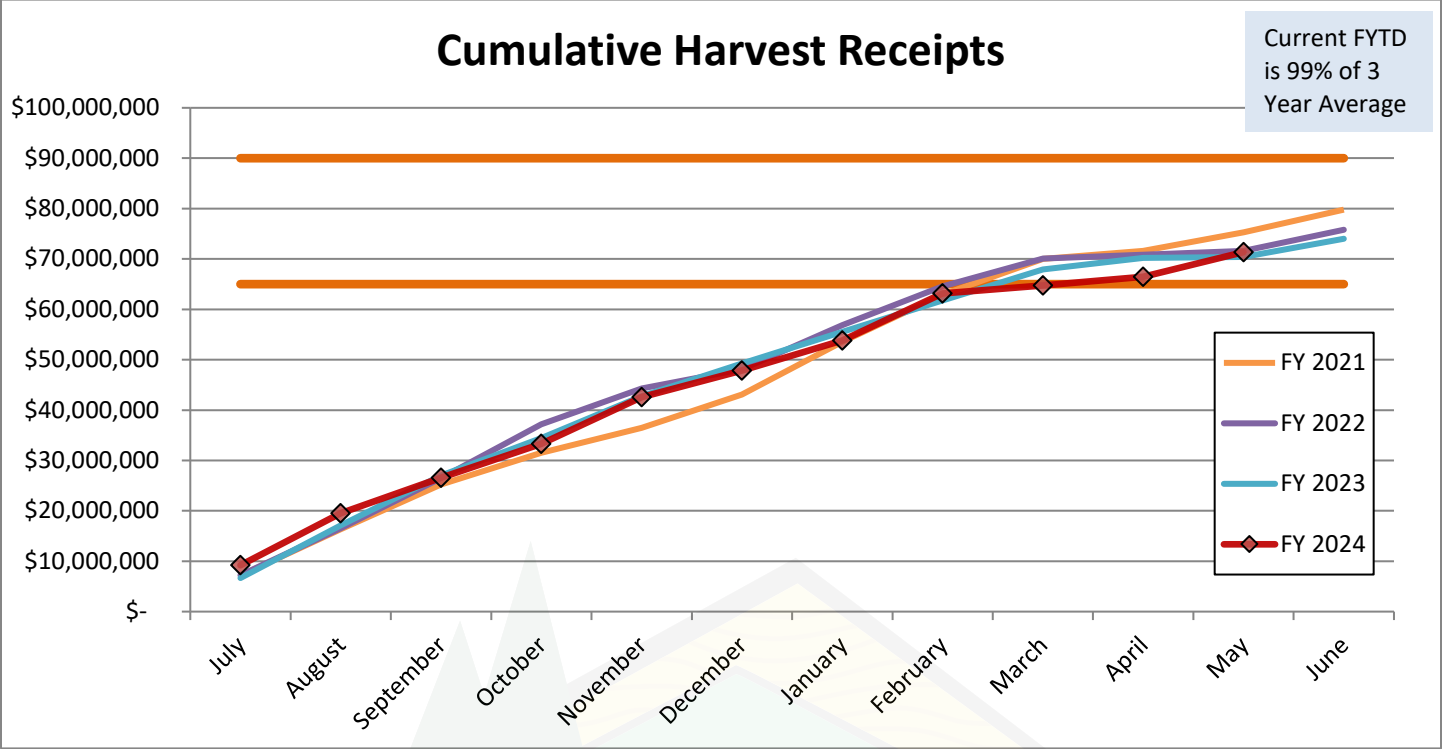
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
South Operations				
Upper Shirts	7,920	\$ 773,864.50	Southwest	6/6/2024
Warm Mosquito Ton	4,375	\$ 542,795.94	Payette	6/12/2024
Corral Creek Ton	8,955	\$ 294,023.28	Eastern	6/18/2024
Benton East Salvage	7,540	\$ 606,954.50	CLWR	6/27/2024
Totals	28,790	\$ 2,217,638.22		

VOLUME UNDER CONTRACT as of May 31, 2024				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			156	171
Total Residual MBF Equivalent	367,775	151,912	519,687	565,095
Estimated residual value	\$102,190,120	\$47,649,021	\$149,839,141	\$151,027,640
Residual Value (\$/MBF)	\$277.86	\$313.66	\$288.33	\$267.26

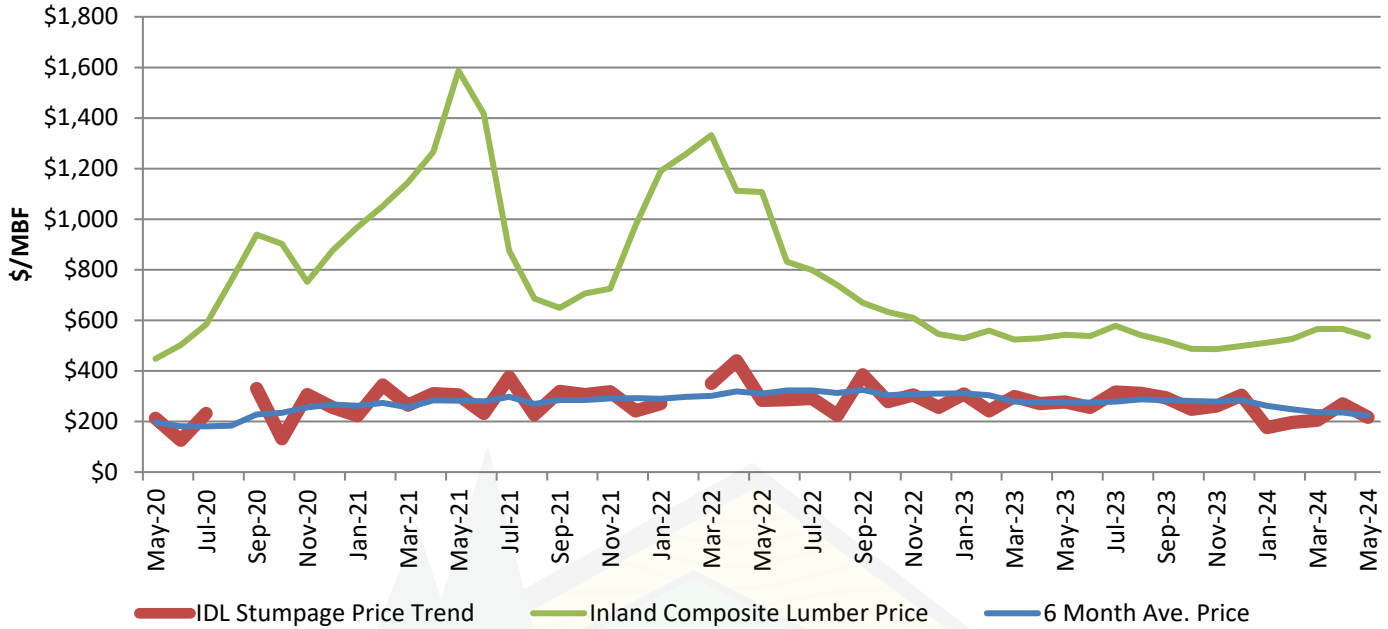
	TIMBER HARVEST RECEIPTS				
	May		FY to date	June Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 3,551,559.57	\$ 261,648.49	\$ 45,632,137.24	\$ 5,309,989.97	\$ 404,513.19
Pooled	\$ 991,794.32	\$ 70,558.64	\$ 25,828,552.27	\$ 3,484,929.75	\$ 386,778.16
General Fund	\$ 12.60	\$ 0.38	\$ 22.37	\$ 48.55	\$ 1.91
TOTALS	\$ 4,543,366.49	\$ 332,207.51	\$ 71,460,711.88	\$ 8,794,968.27	\$ 791,293.26

	Status of FY2024 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of May 31, 2024	167,882	77,006	244,888	18,955	6,096	25,051
Currently Advertised	57,034	12,561	69,595	2,200	1,435	3,635
In Review	1,850	0	1,850	0	0	0
Did Not Sell*	4,000	0	4,000	0	0	0
TOTALS	230,766	89,567	320,333	21,155	7,531	28,686
FY2024 Sales Plan			328,000			20,000
Percent to Date			98%			143%

* After three attempts at auction.



Monthly Lumber and Stumpage Price



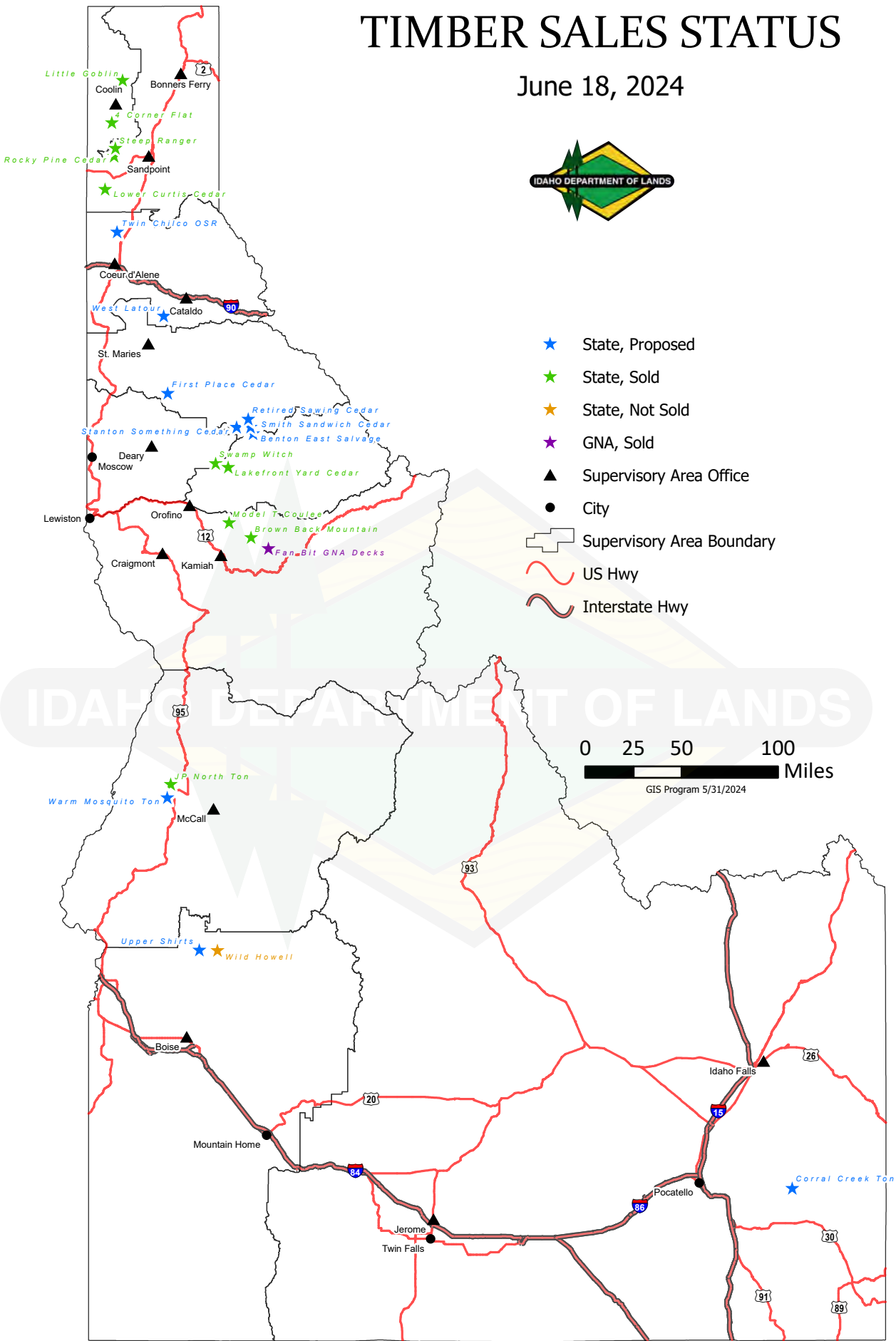
May 2024 6-month average price is \$223.30.

May 2023 6-month average price was \$275.76.

IDAHO DEPARTMENT OF LANDS

TIMBER SALES STATUS

June 18, 2024



IDAHO DEPARTMENT OF LANDS

0 25 50 100
Miles
GIS Program 5/31/2024

STATE BOARD OF LAND COMMISSIONERS

June 18, 2024

Endowment Transactions

Leases and Permits

FISCAL YEAR 2024 – LEASING & PERMITTING TRANSACTIONS BY MONTH through May 31, 2024													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture	1	-	-	-	-	-	-	-	-	-	-	-	1
<i>Assignments</i>	-	-	-	-	-	-	-	-	-	1	-	-	1
Communication Sites	1	2	-	-	2	1	-	-	-	-	-	-	6
<i>Assignments</i>	-	-	-	-	-	-	-	1	-	-	-	-	1
Grazing	-	-	-	1	-	-	-	-	1	-	1	-	3
<i>Assignments</i>	-	3	-	-	2	2	5	5	6	-	13	-	36
Residential	-	-	-	7	3	-	2	-	2	-	-	-	14
<i>Assignments</i>	1	-	-	3	-	1	1	1	-	-	-	-	7
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	-	-	-	-	-	-	0
Industrial	1	-	-	-	-	-	1	-	-	-	-	-	2
Military	-	-	-	-	-	-	1	-	-	-	-	-	1
Office/Retail	-	-	-	-	-	-	-	-	-	-	-	-	0
Recreation	-	-	-	-	-	-	2	-	-	-	-	-	2
<i>Assignments</i>	-	-	-	-	-	-	1	-	-	-	-	-	1
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
<i>Assignments</i>	-	-	-	1	-	-	-	-	-	-	-	-	1
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2	1	1	-	2	1	-	2	1	-	-	-	10
<i>Assignments</i>	-	-	-	2	-	-	-	-	-	-	-	-	2
Exploration Location	-	-	32	-	-	-	-	-	-	-	-	-	32
Non-Comm Recreation	2	-	-	-	-	-	-	-	-	-	-	-	2
Oil & Gas	-	-	-	-	-	-	-	-	-	-	1	-	1
PERMITS													
Land Use Permits	1	9	10	9	2	2	8	4	4	9	1	-	59
TOTAL INSTRUMENTS	9	15	43	23	11	7	21	13	14	10	16	0	182

Real Estate

FISCAL YEAR 2024 – REAL ESTATE TRANSACTIONS BY MONTH – through May 31, 2024													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-	1	-	-	-	-	-	-	-	-	-	1
Deeds Granted	-	-	4	3	-	-	-	-	-	-	-	-	7
Deeds Granted - Surplus	-	-	-	-	-	-	-	-	-	-	-	-	0
Easements Acquired	1	-	-	-	-	-	-	-	-	-	1	-	2
Easements Granted	-	-	1	-	1	-	3	-	1	-	-	-	6
Notes :													
<i>Acquired Easement for Benewah County - Acquired Road Easement on a portion of the Union Pacific Railroad between Calder Road and Forest Highway 50, all situated in Shoshone and Benewah Counties.</i>													

TRUST LAND MANAGEMENT DIVISION
FY2024 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through May 31, 2024

	REVENUE YTD AS OF 05.31.2024	REVENUE EXPECTED BY 05.31.2024*	REVENUE EXPECTED BY 06.30.2024
SURFACE			
AGRICULTURE	\$ 660,509	\$ 592,000	\$ 592,000
COMMUNICATION SITES	\$ 1,459,236	\$ 1,190,000	\$ 1,190,000
GRAZING	\$ 1,790,950	\$ 1,650,200	\$ 1,680,200
RESIDENTIAL LEASES	\$ 1,113,142	\$ 1,009,395	\$ 1,017,395
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 56,843	\$ 95,840	\$ 95,840
COMMERCIAL INDUSTRIAL	\$ 194,730	\$ 137,000	\$ 142,000
COMMERCIAL MILITARY FACILITIES	\$ -	\$ 151,000	\$ 151,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 790,342	\$ 860,000	\$ 991,600
COMMERCIAL RECREATION	\$ 767,936	\$ 1,014,000	\$ 1,014,000
OTHER			
CONSERVATION LEASES	\$ 71,196	\$ 73,000	\$ 73,000
GEOTHERMAL	\$ 2,250	\$ -	\$ 5,012
MINERAL LEASES	\$ 879,953	\$ 112,000	\$ 113,000
OIL AND GAS LEASES	\$ 10,739	\$ 3,435	\$ 3,926
Sub Total	\$ 7,797,826	\$ 6,887,870	\$ 7,068,973
REAL ESTATE SERVICES (ER)	\$ -		
Grand Total - Earnings Reserve	\$ 7,797,826		

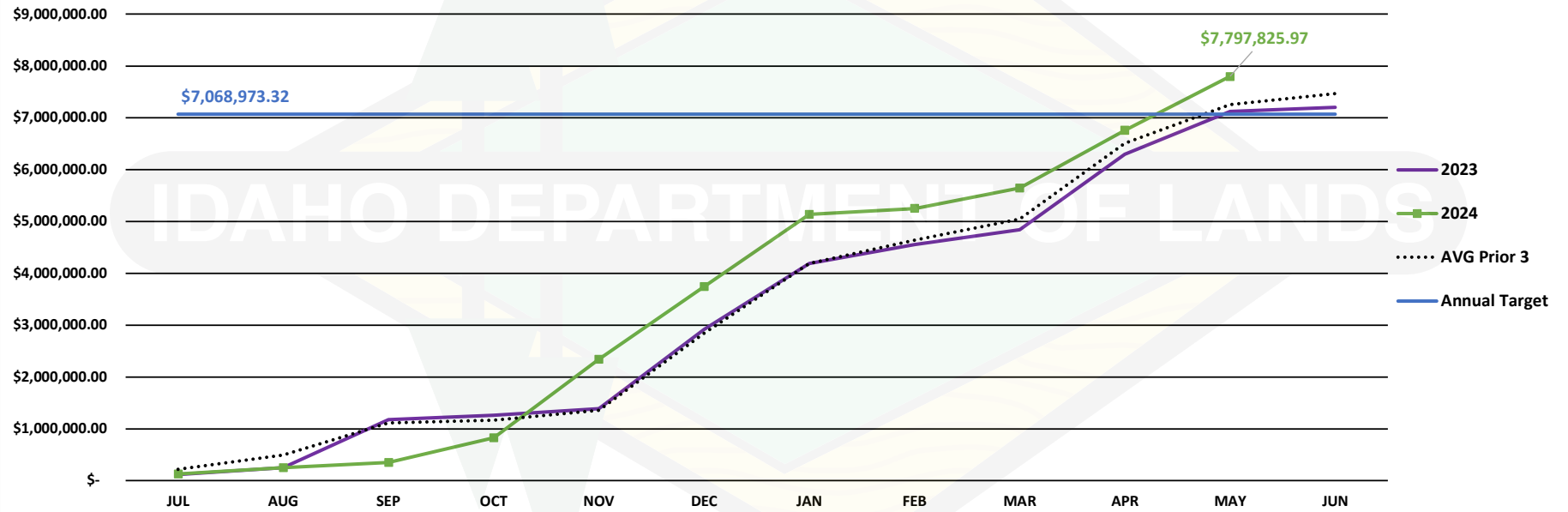
PERMANENT FUND REVENUE	
MINERALS (PF)	\$ 2,271,332 ***

*These figures are based on historic timing of revenue/billing as well as estimates of upcoming lease and permit revenue.

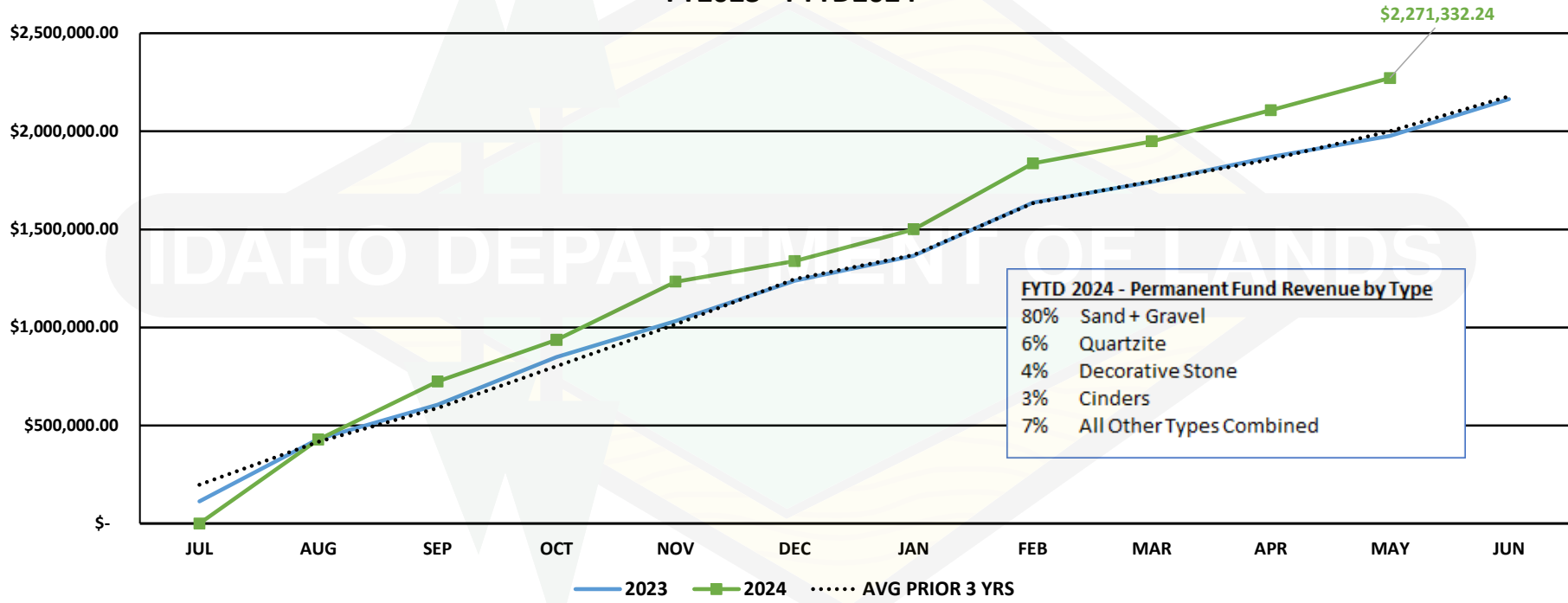
** This category is not included in the annual forecast.

***This category is not included in the annual forecast and represents minerals revenue to the permanent fund.

Cumulative Trust Land Program Receipts
Earnings Reserve - All Programs Excluding Timber
FY 2023 - FYTD 2024



Trust Land Permanent Fund Revenue & Royalties
(Excluding Land Bank and Timber Program)
FY2023 - FYTD2024





Thomas J. Wilford :: Chairman
Jerry F. Aldape Mary Pat Thompson
Robert M. Donaldson Chuck Winder
Joseph Forney Kenny Wroten
Irving Littman Brian Yeargain
Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through May 31, 2024

Month: 3.0% Fiscal year: 10.7%

Both stocks and bonds had a strong month as April CPI showed a 3.4% increase year-over-year, which was in line with expectations, but down from the previous month. The economy is expected to slow this year as the Fed keeps interest rates elevated, but consumer spending remains resilient despite elevated prices and higher borrowing costs. The optimism appears to be driven by continued positive job growth, rising wages and strong financial markets.

Status of endowment fund reserves

Distributions for FY2024 and FY2025 are well secured.

Significant actions of the Endowment Fund Investment Board

None

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 Meeting – August 14, 2024

Board Meeting – August 15, 2024

Preliminary Report (Land Grant Fund)

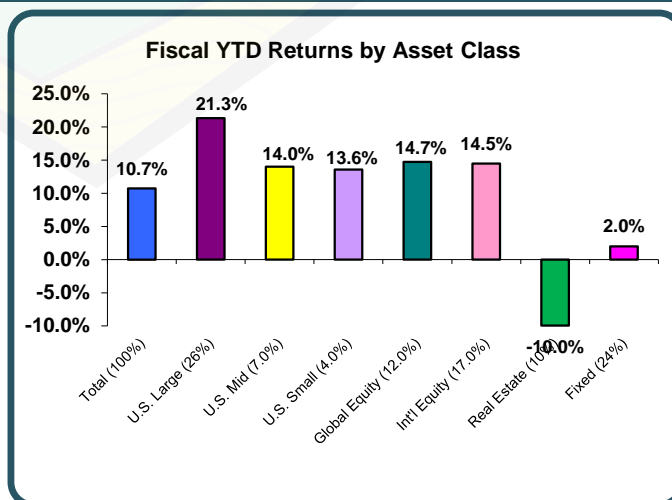
May 31, 2024

	Month	FYTD
Beginning Value of Fund	3,124,655,893	\$ 2,947,604,447
Distributions to Beneficiaries	(8,359,583)	(92,205,413)
Land Revenue net of IDL Expenses	(3,588,208)	38,558,313
Change in Market Value net of Investment Mgt. Expenses	106,494,426	325,245,181
Current Value of Fund	\$ 3,219,202,528	\$ 3,219,202,528

<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>
Total Fund	3.0%	5.5%	10.7%	15.3%	2.6%	8.9%	7.4%
<i>Total Fund Benchmark*</i>	3.0%	4.9%	10.4%	14.3%	3.2%	8.5%	7.1%
Total Fixed	1.7%	-1.4%	2.0%	1.8%	-2.7%	0.2%	1.4%
<i>BBG U.S. Agg. (Ag)</i>	1.7%	-1.6%	1.7%	1.3%	-2.8%	0.2%	1.4%
Total Equity	3.9%	9.7%	17.0%	24.4%	4.8%	13.0%	10.0%
<i>57% R3 29% Ax 14% AC</i>	4.1%	8.7%	16.8%	23.9%	5.3%	12.2%	9.4%
Domestic Equity	4.0%	10.2%	19.1%	28.0%	6.0%	14.5%	11.7%
<i>Russell 3000 (R3)</i>	4.7%	10.1%	19.4%	27.6%	7.8%	15.0%	12.1%
Global Equity	3.9%	8.6%	14.7%	20.8%	5.5%	12.8%	8.4%
<i>MSCI ACWI (AC)</i>	4.1%	8.9%	16.8%	23.6%	5.1%	11.7%	8.4%
Int'l. Equity	3.7%	9.7%	14.5%	19.6%	2.2%	10.2%	6.6%
<i>MSCI ACWI ex-US (Ax)</i>	2.9%	5.8%	11.7%	16.7%	0.3%	6.8%	4.0%
Real Estate			-10.0%	-10.0%	1.8%	2.5%	
<i>NCREIF ODCE Index</i>			-4.9%	-12.9%	6.1%	4.7%	

* Benchmark: 38% Russell 3000 19% ACWI ex-US 9% AC 24% BB Agg. 10% OD

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,198.7	37.2%
Large Cap	842.7	26.2%
Mid Cap	223.2	6.9%
Small Cap	132.8	4.1%
Global Equity	392.9	12.2%
Int'l Equity	552.2	17.2%
Fixed Income	781.8	24.3%
Real Estate	276.4	8.6%
Cash	15.8	0.5%
Total Fund	\$ 3,219.2	100.0%



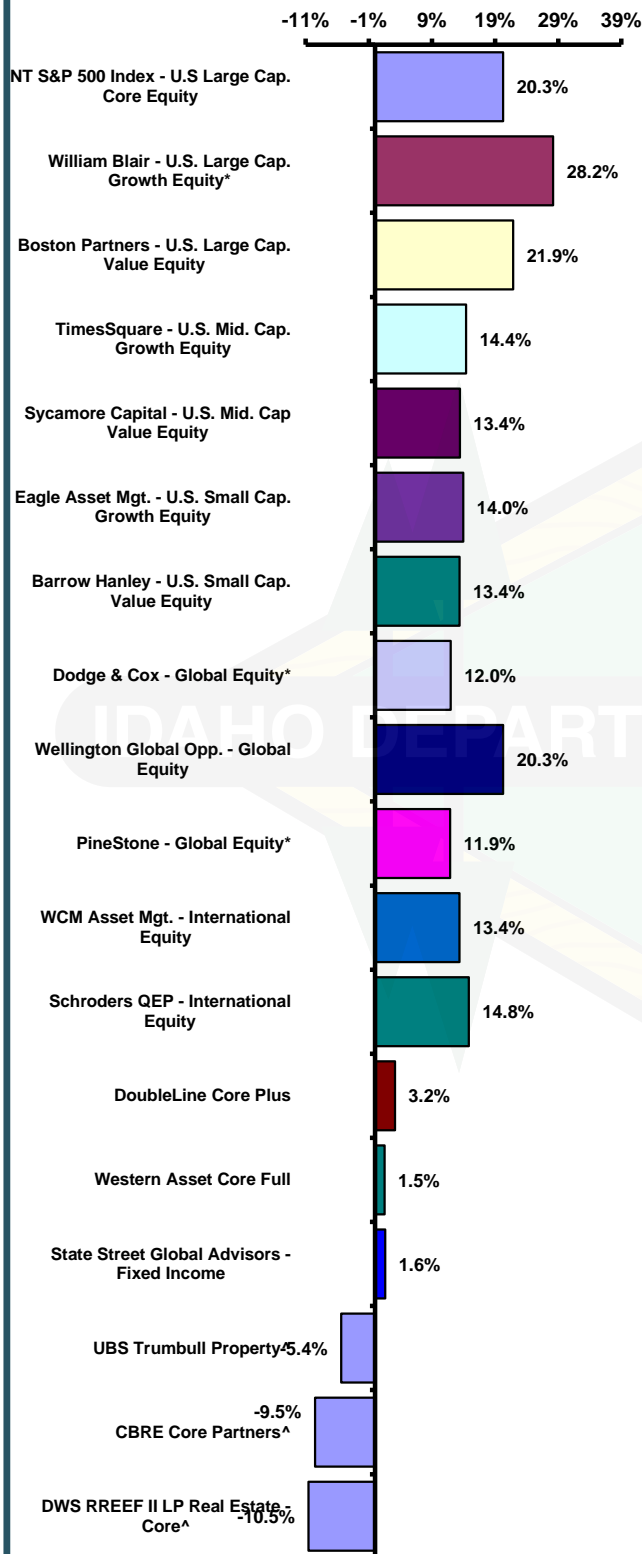
Endowment Fund Staff Comments:

Both stocks and bonds had a strong month as April CPI showed a 3.4% increase year-over-year, which was in line with expectations, but down from the previous month. The economy is expected to slow this year as the Fed keeps interest rates elevated, but consumer spending remains resilient despite elevated prices and higher borrowing costs. The optimism appears to be driven by continued positive job growth, rising wages and strong financial markets.

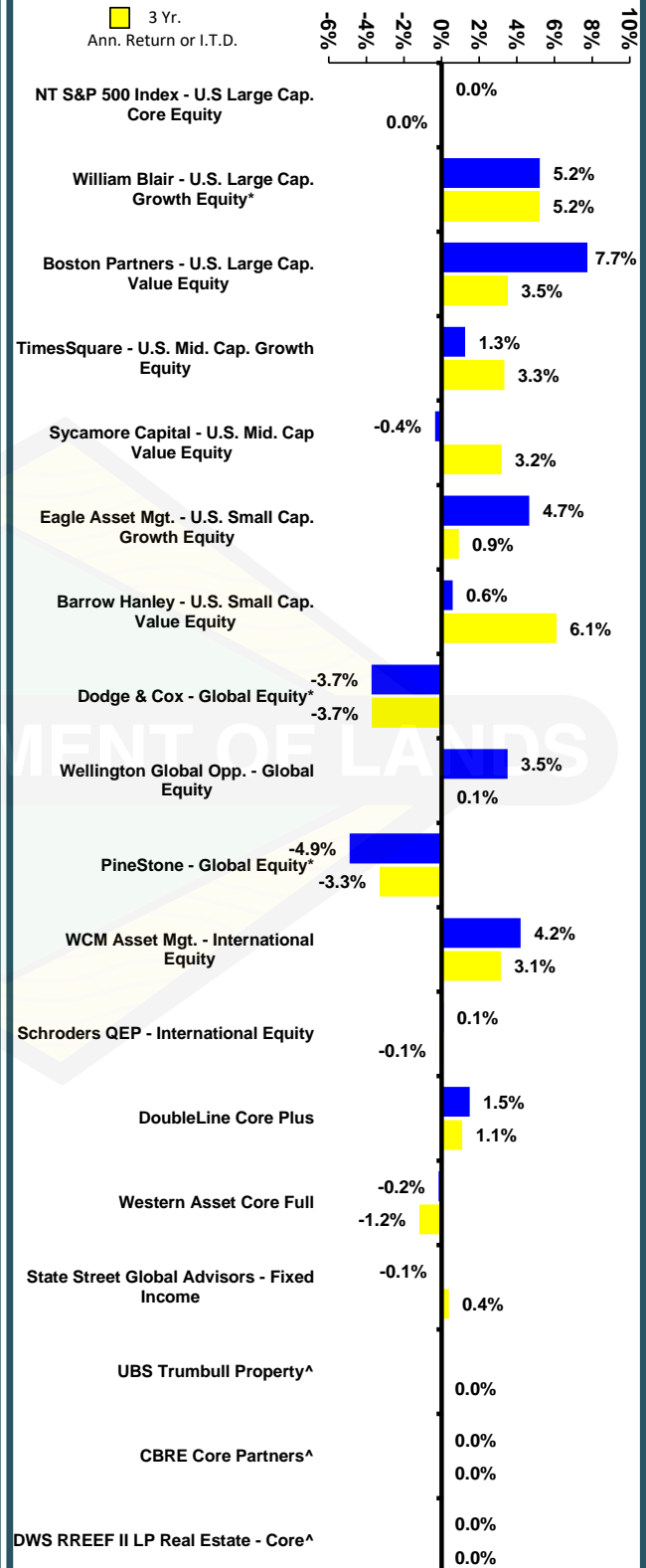
May 31, 2024

INVESTMENT REPORT

FYTD Manager Returns*



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



^ Most recent valuation. * I-T-D if no FYTD or 3-yr. history

STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

Direction to sell the Idaho Department of Fish and Game (IDFG) surplus property known as the Greer Access Site (Greer Site) to Clearwater County at a negotiated price.

Question Presented

Shall the Land Board authorize the Department to sell the Greer Site to Clearwater County?

Background

On May 16, 2023, the State Board of Land Commissioners (Land Board) directed the Idaho Department of Lands (Department) to solicit interest for the disposition of the Greer Site property, pursuant to the Surplus Property Act, Idaho Code § 58-331 *et seq.* (Attachment 1).

The Greer Site was appraised by Stephen Agen of Valbridge Property Advisors on March 22, 2023, and has an "as-is" market value of \$150,000.

Pursuant to Idaho Code § 58-332, the Department first notified other state agencies to determine whether any state agency was interested in purchasing the property. No state agency expressed such interest. The Department then notified and offered the property to tax supported agencies, including federal, city, and county agencies to determine if there was any interest in purchasing the property.

On June 20, 2023, the Clearwater County Commissioners submitted a letter expressing interest in purchasing the Greer Site and indicated that they would be making an offer after they worked with the County Assessor on a value. No other tax-supported agencies expressed interest in the property. On February 20, 2024, the Clearwater County Commissioners submitted an offer of \$50,000 to purchase the property. (Clearwater County letters are Attachment 2). The Department presented the offer to IDFG, and on April 27, 2024, IDFG submitted a letter to the Department accepting the Clearwater County offer of \$50,000 as "adequate and valuable consideration" (as per Idaho Code § 58-332(2)) (Attachment 3).

The Department scheduled a public hearing to solicit comment regarding the sale of the Greer Site to Clearwater County and published notice of the public hearing in the local newspaper for five (5) consecutive weeks (Attachment 4).

Discussion

The public hearing was held on May 6, 2024. Seven (7) members of the public attended the meeting, as well as Vince Frazier, Chairman of the Clearwater County Commissioners, and Kevin Jones who represented IDFG. The Department received two (2) written comments and two (2)

verbal comments from members of the public during the hearing. One person submitted a written comment and gave verbal comments at the meeting; a total of three (3) individual members of the public provided comment. Written comments are included as Attachment 5. IDFG representative Kevin Jones and Clearwater County Commission Chairman Vince Frazier also made comments during the hearing.

The comments from the members of the public were all directed toward the current public uses of the property and the desire to continue utilizing the property for those activities. The uses described were as a public gathering place, use of the restroom facility by log truck drivers, access to an irrigation line to fill the community fire truck, and use as a parking area for the purpose of carpooling. Mr. Jones described the reasons that IDFG no longer needs the property. Mr. Frazier explained that the county commissioners are aware of the current public uses of the property and assured the public that the Greer Site will remain in public use. Mr. Frazier said that the county does not intend to develop the property for a different use, rather they intend to continue servicing the outhouse facility, maintaining access to the pump to fill the fire truck, and plan on making some improvements to the parking area, such as filling in some low spots that tend to hold rainwater.

No comments were received in opposition to the sale of the Greer Site to Clearwater County. A map of the Greer Site is included as Attachment 6.

Recommendation

Direct the Department to complete the surplus land sale of the Greer Site to Clearwater County as proposed.

Board Action

Attachments

1. Land Board Memo dated May 16, 2023
2. Letters from Clearwater County dated June 20, 2023 & February 20, 2024
3. Letter from IDFG dated April 27, 2024
4. Notice and Affidavit of Public Hearing
5. Written Public Comments
6. Greer Site Map

STATE BOARD OF LAND COMMISSIONERS

May 16, 2023
Consent Agenda

Subject

Request to declare and dispose of surplus property owned by the Idaho Department of Fish and Game and the Idaho Fish and Game Commission

Question Presented

Shall the Land Board authorize the Idaho Department of Lands (Department) to declare and dispose of the Idaho Fish and Game Department property known as the Greer Access Site (Greer Site) as surplus property?

Background

The Idaho Department of Fish and Game (IDFG) requested approval via letter dated December 23, 2022, for the State Board of Land Commissioners (Land Board) to declare its ownership interest in the Greer Site as surplus property, pursuant to the Surplus Property Act, Idaho Code §§ 58-331–335 (Attachment 1).

The Greer Site consists of approximately 0.86 acres of land, split between two non-contiguous parcels located in Clearwater County, near the town of Greer. For purposes of this memo, the northern parcel of the Greer Site will be referred to as "Parcel 1" (0.36 acres), and the southern parcel will be referred to as "Parcel 2" (0.50 acres). Parcel 1 is unimproved. Parcel 2 is improved with a gravel parking lot and a concrete vault toilet. A map of the property is included as Attachment 2; a vicinity map is Attachment 3.

Parcel 1 was acquired by IDFG in 1987, and Parcel 2 was acquired in 1989, using dedicated funds from the sale of salmon and steelhead fishing permits. The Greer Site was acquired and used to provide fishing access for anadromous-species anglers. The entirety of the IDFG property contains three parcels: Parcel 1, Parcel 2, and a western parcel; however, IDFG wishes to retain the western parcel that lies adjacent to the river and continues to provide fishing access. Parcel 1 and Parcel 2 are not critical to angler access and therefore have been identified as surplus to the needs of IDFG.

The Greer Site was appraised by Stephen Agen of Valbridge Property Advisors on March 22, 2023, and has an "as-is" market value of \$150,000.

Discussion

Pursuant to Idaho Code § 58-331, custody and control of the Greer Site will be transferred to, and title will be vested in, the Land Board for disposition. Per Idaho Code § 58-332, the Department, on behalf of the Land Board, will notify other state agencies to determine if any

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 city, county, and federal agencies, to determine if there is any interest in purchasing it. If no tax-supported entity expresses interest, the Department will offer the Greer Site at public auction in Clearwater or Ada County, with Parcel 1 and Parcel 2 being auctioned and sold either individually or combined. If the Greer Site parcels do not sell at auction, the Department will advertise any unsold parcels and accept adequate and valuable consideration in a negotiated sale.

Recommendation

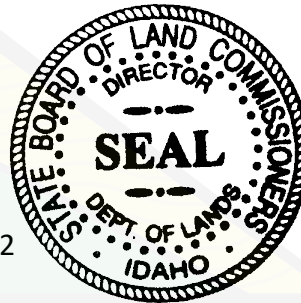
Direct the Department to offer the Greer Site parcels for disposition in accordance with the Surplus Property Act, Idaho Code §§ 58-331–335, and authorize the Department to offer the Greer Site parcels at public auction in Clearwater or Ada County.

Board Action

Approved 05/16/2023

Attachments

1. IDFG Surplus Request, dated December 23, 2022
2. Parcel Map
3. Vicinity Map



IDAHO DEPARTMENT OF LANDS

P.O. Box 586
Orofino, ID 83544
Phone: (208) 476-3615
Fax: (208) 476-8902



Commissioners
Vince Frazier, Chair
Mike Ryan
Richard Miller

June 20, 2023

Zane Lathim, Real Estate Specialist
Real Estate Services Bureau
P.O. Box 83720
Boise, ID 83720-0050

Mr. Lathim;

The Board of County Commissioners are interested in the State of Idaho Department of Fish and Game surplus property and would like to make an offer on the Greer site. The Board is waiting to hear from Clearwater County Assessor on the valuation of the property. Along with doing a walk on the property the Board will get an offer put together.

Thank you,

Clearwater County
Board of County Commissioners

A handwritten signature in black ink, appearing to read "Vince Frazier", is written over a horizontal line.

Vince Frazier, Chairman

P.O. Box 586
Orofino, ID 83544
Phone: (208) 476-3615
Fax: (208) 476-8902



Commissioners
Rick Winkel, Chair
Mike Ryan
Vince Frazier

February 20, 2024

Zane Lathim, Real Estate Specialist
Real Estate Services Bureau
P.O. Box 83720
Boise, ID 83720-0050

DEPT. OF LANDS
FEB 23 2024
BOISE, IDAHO

Dear Mr. Lathim;

The Clearwater County Board of Commissioners are interested in the State of Idaho Department of Fish and Game surplus property. After careful consideration and after evaluation, care and maintenance of the vault bathroom. Along with the need for gravel and care for parking in the area for the recreation user and the local citizen usage. We would like to make an offer of \$50,000 (Fifty-Thousand Dollars). On the site indicated in the enclosed map RP00500009003BA and RP00500007002AA.

We feel that is far as we are using County tax dollars to purchase the property and insure the property along with having to budget future County tax dollars for its maintenance and upkeep on the property.

Thank you for your consideration. We look forward to hearing back from you.

Sincerely,

Clearwater County
Board of County Commissioners

A blue ink signature of Vince Frazier, written over a horizontal line.

Vince Frazier
Chairman



IDAHO DEPARTMENT OF FISH AND GAME

600 S Walnut / P.O. Box 25
Boise, Idaho 83707

Brad Little / Governor
Jim Fredericks / Director

April 27, 2024

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

RE: Greer Access Site Sale

Dear Members of the Board:

The Idaho Department of Fish and Game (IDFG) has reviewed, and understands, the Clearwater County Board of Commissioners (Buyer) purchase offer for the surplus property known as the former Greer Access Site (Property), located in Greer, Idaho. In addition, IDFG has reviewed, and understands, the \$150,000 valuation reported in the March 21, 2023 Property appraisal.

We are pleased to accept the Buyer's purchase offer for \$50,000 and believe it to be adequate and valuable consideration for the Property. IDFG is supportive of keeping this property available for public use and appreciates Clearwater County's interest in continuing to manage the Property for public benefit.

I would like to thank the Board and the Department of Lands for your assistance in disposing of this surplus property.

Please contact Lands Program Coordinator Casey Pozzanghera at 208-287-2713 if you have any questions.

Sincerely,


Jim Fredericks
Director

JF:CBP:vt

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the State of Idaho, acting by and through the State Board of Land Commissioners is considering the sale of real property to Clearwater County, pursuant to Idaho Code §§ 58-331 and 58-332. The real property is located along the west side of Greer Road, north of Highway 11 and east of the Clearwater River and is further identified as Assessor's Parcel Numbers (APNs) RP00500007002A and RP00500009003B, consisting of 0.50 acres and 0.36 acres, respectively. The subject is two, non-contiguous tracts of vacant land located in close proximity, setback from the Clearwater River. A BG and CM rail line extends north/south along the west boundary of both parcels, including a +/-100' inholding separating each parcel. Parcel '7002A is a rectangular tract of open land improved with a graveled parking lot and a small 8' x 14' outhouse, situated near the southeast corner of the property. Parcel '9003B is a rectangular tract of unimproved land with moderate brush and timber. Both tracts are assessable via Greer Road, a partially graveled public road. The real property considered for disposal is referred to as the Greer Access site, and is more particularly described as follows:

1. Greer Access Site: ~1 acre split between 2 parcels, Clearwater County
Parcel 1: T 35 N, R 2 E, BM. Sec. 11, Northerly 90 feet of Lots 3, 4, 5, 6, 7, 8, and 9, Block 9, townsite of Greer, & Tax No. 597 (parcel of land lying between the railroad of way and the Clearwater River directly opposite Block 7, 9 and 11 of the townsite of Greer).

County Courthouse, Courtroom #2, located at 150 Michigan Avenue, Orofino, ID 83544, on the 6th day of May, 2024 from 9:00 am [PT] to 12:00 pm [PT]. The purpose of the hearing is to receive public comment on the proposed sale of the real property from the State of Idaho to Clearwater County in the amount of Fifty Thousand Dollars (\$50,000.) Any questions should be directed to: Idaho Department of Lands, Zane Lathim, 300 N 6th Street, Suite 103, P.O. Box 83720, Boise, Idaho 83720-0050. Persons requiring special accommodation at the public hearing must contact Zane Lathim at (208) 334-0288, at least seven (7) days prior to the hearing date to make arrangements.

Dustin Miller, Director, Idaho Department of Lands.

4-3, 10, 17, 24; 5-1c

Parcel 2: T 35 N, R 2 E, Lots 1, 2, 3, 4, 5, 6, 7, 8, 11, and 12, Block 7, T Greer, excepting: a parcel of land lying on both sides of the centerline of the highway as surveyed and shown on the official plat of the Clearwater AS-4780(4) Highway Survey on file in the office of the Department of Highways of the State of Idaho, and lying over and across Lots 1, 2, and 3 of Block 7 of the Village of Greer, Idaho, according to the official plat thereof on file and of record in the office of the Recorder of Clearwater County, Idaho, as described as follows, to-wit: Beginning at a point coincident with the SW corner of Block 7 of the Village of Greer, Idaho, according to the official plat thereof on file and of record in the office of the Recorder of Clearwater County, Idaho; thence Northerly along the Westerly boundary of said Block 7 a distance of 75.0 ft, more or less, to a point; thence Easterly along a curve right of 183.24 ft radius, 40.0 ft distant Northerly from and parallel to the center line of the Clearwater AS-4780(4) Highway Survey a distance of 95.0 ft, more or less, to a point on the Easterly boundary of said Block 7; thence Southerly along the Easterly boundary of said Block 7 a distance of 41.0 ft, more or less, to the Southeast corner of said Block 7; thence Westerly along the Southerly boundary of said Block 7 a distance of 86.0 ft to the point of beginning. Also excepting: a strip of land 10 ft wide, being the Southwesterly 10 ft of Lots 4 through 12, both inclusive, Block 7 of the Village of Greer, Idaho, as shown on the official plat thereof.

A public hearing is scheduled to take place at the Clearwater

AFFIDAVIT OF PUBLICATION

STATE OF IDAHO)
) ss.
County of Clearwater)

MARCIE STANTON

being first duly sworn in, on oath, deposes and says:

That I am and at all times herein mentioned have been a citizen of the United States and of the State of Idaho, over 21 years of age, and that I am not a party to nor interested in the above entitled proceeding; that I am and at all times herein mentioned have been the Editor, Foreman, of THE CLEARWATER TRIBUNE; that said Clearwater Tribune is a newspaper of general circulation, printed and published weekly at Orofino, in the County of Clearwater and State of Idaho; that the Clearwater Tribune has been continuously and uninterruptedly published in Clearwater County, Idaho, during the period of seventy-eight consecutive weeks prior to the first publication of attached copy of:

Idaho Department of Lands
NOTICE OF PUBLIC HEARING

of which the annexed is a full, true and correct printed copy, was published in the regular and entire issue of said newspaper, and not in any supplement thereof, for a period of five consecutive weeks, commencing on the 3rd day of April 2024, and ending on the 1st day of May 2024.

This legal notice has also been posted to the IdahoPublicNotices.com website beginning April 3, 2024 as a courtesy of the Clearwater Tribune and the Newspaper Association of Idaho.

Marcie Stanton

STATE OF IDAHO)
)
COUNTY OF CLEARWATER)

On this 1st day of May in the year of 2024, before me, a Notary Public, personally appeared

Marcie Stanton

known or identified to me to be the person whose name subscribed to the within instrument, and being by me duly sworn, declared that the statements therein are true, and acknowledged to me that she executed the same.

Michelle D. Donner

Notary Public for Idaho
Resident at Orofino, Idaho
My commission expires: 10/3/2029



Greer Access Site Property Sale, Public Hearing

Clearwater County Courthouse, Courtroom #2, located at 150 Michigan Avenue, Orofino, ID 83544

May 6, 2024 - 9:00 AM {PT}

State of Idaho Department of Lands Public Comment Item: Idaho Department of Fish and Game Surplus Sale. The Greer Access Site Property, pursuant to Idaho Code §§ 58-331 and 58-332, is considered for disposal to Clearwater County for the negotiated value of \$50,000.00.

Comments: _____

Personal Concern: Our property has an irrigation row,
across the land next to the river. That line is for
irrigation and filling the fire truck for the Fire District
Community concern: We need the little park
for community / fire district activities

IDAHO DEPARTMENT OF LANDS

Name: Connie Miller

Address: 202 Greer Rd Orofino

P.O. Box 163

Ahsahka, 83520

Greer Access Site Property Sale, Public Hearing

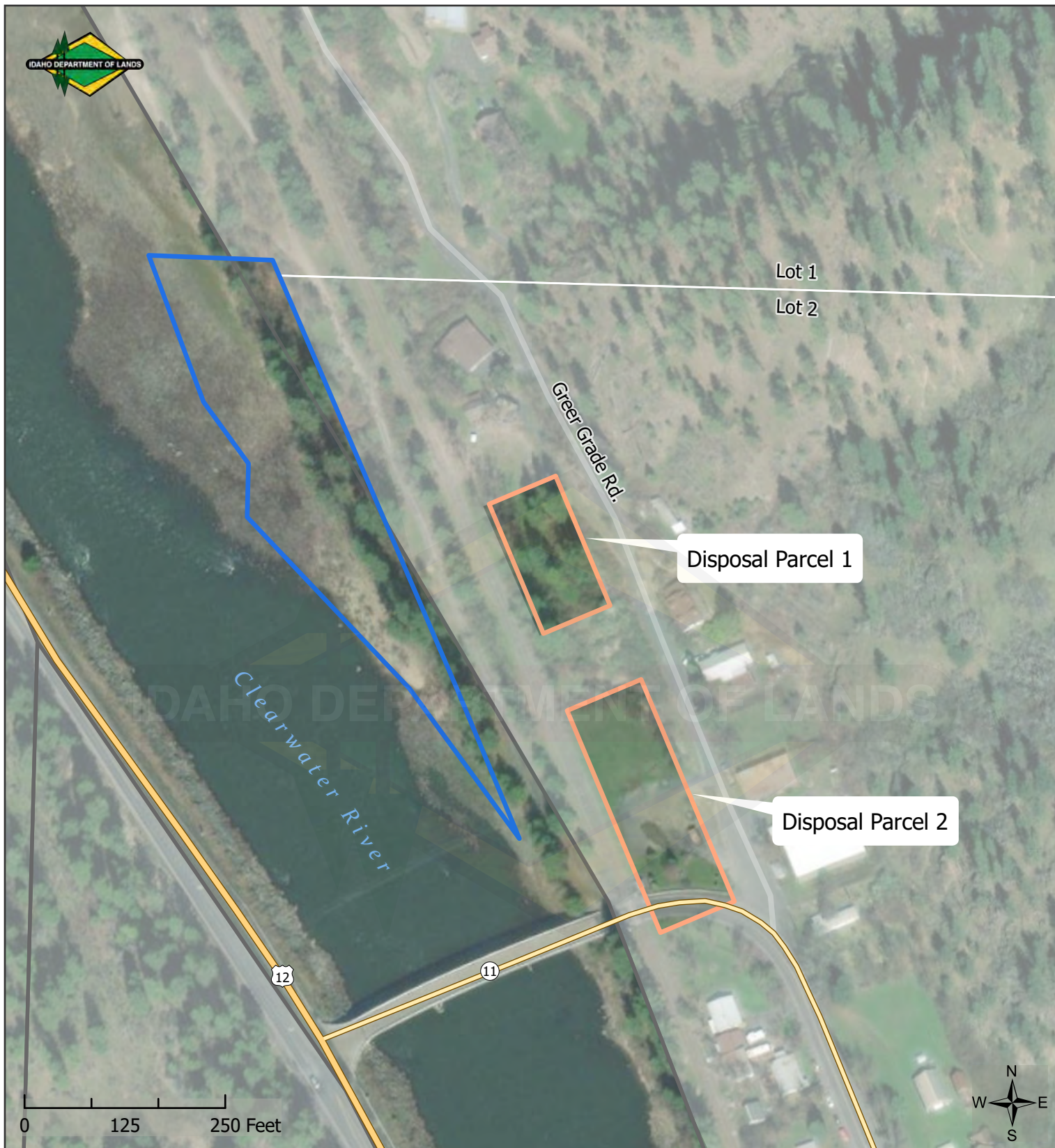
Clearwater County Courthouse, Courtroom #2, located at 150 Michigan Avenue, Orofino, ID 83544

May 6, 2024 - 9:00 AM {PT}

State of Idaho Department of Lands Public Comment Item: Idaho Department of Fish and Game Surplus Sale. The Greer Access Site Property, pursuant to Idaho Code §§ 58-331 and 58-332, is considered for disposal to Clearwater County for the negotiated value of \$50,000.00.

Comments: I would be happy if the County purchases the Greer Access Site Property; and keeps it as a park - public land. We have enjoyed accessing the river from this property with our family, and my kids have run a soft drinks stand next to the parking area during the summer which has been enjoyable both for our family and for the public.

Name: Rodney Horning
Address: 490 Thornton Rd.
Orofino, ID
83544



- Disposal Parcels
- Retain - River Access Parcel
- US Highway
- State Highway
- Private
- Section
- Subsection

IDFG Surplus Disposition
Greer Access Site
 T35N - R02E - Sec. 11
 Clearwater County, Idaho

5/2/2023

Disclaimer:
 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.



STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

Mineral Lease Live Auction – May 16, 2024

Question Presented

Shall the Land Board direct the Department to award a mineral lease to the high bidder at the live auction?

Background

The Idaho Department of Lands (Department) received an application for a sand and gravel mineral lease on a 45-acre parcel of Public School endowment land located in Bonner County, approximately 5 miles north of Spirit Lake (site maps included as Attachment 1). Pursuant to Idaho statute and Department procedure, the public auction was advertised and held to determine the high bidder for the lease. Auction participants, including the original applicant for the lease, were required to register for the live auction one week prior to the auction date. Department staff conducted the live auction.

Discussion

For the purpose of securing a single lessee for the mineral lease, a live auction was held on May 16, 2024, at the Department's Pend Oreille Lake Area office in Sandpoint. Premier, LLC submitted the successful premium bid of \$40,000 for mineral lease E200009. Two parties registered for the auction, including Interstate Concrete and Asphalt, the original applicant. The lease includes a 10-year term for the extraction of sand and gravel, including annual rent of \$250.00 (\$3.00 per acre or \$250.00 minimum); a minimum annual royalty payment of \$1,000.00 for the first five years and \$2,500.00 for the last five years; and a royalty rate of \$1.17 per short ton. Attachment 2 summarizes the results of the live auction.

Idaho Code § 58-310(4) provides that the State Board of Land Commissioners (Land Board) has the right to reject any bid made at a live auction where fraud or collusion are present, or for any reason, all within the sole discretion of the Land Board. The Department completed the lease auction process in accordance with existing statute and procedures and did not observe any indication of fraud or collusion related to this process.

Recommendation

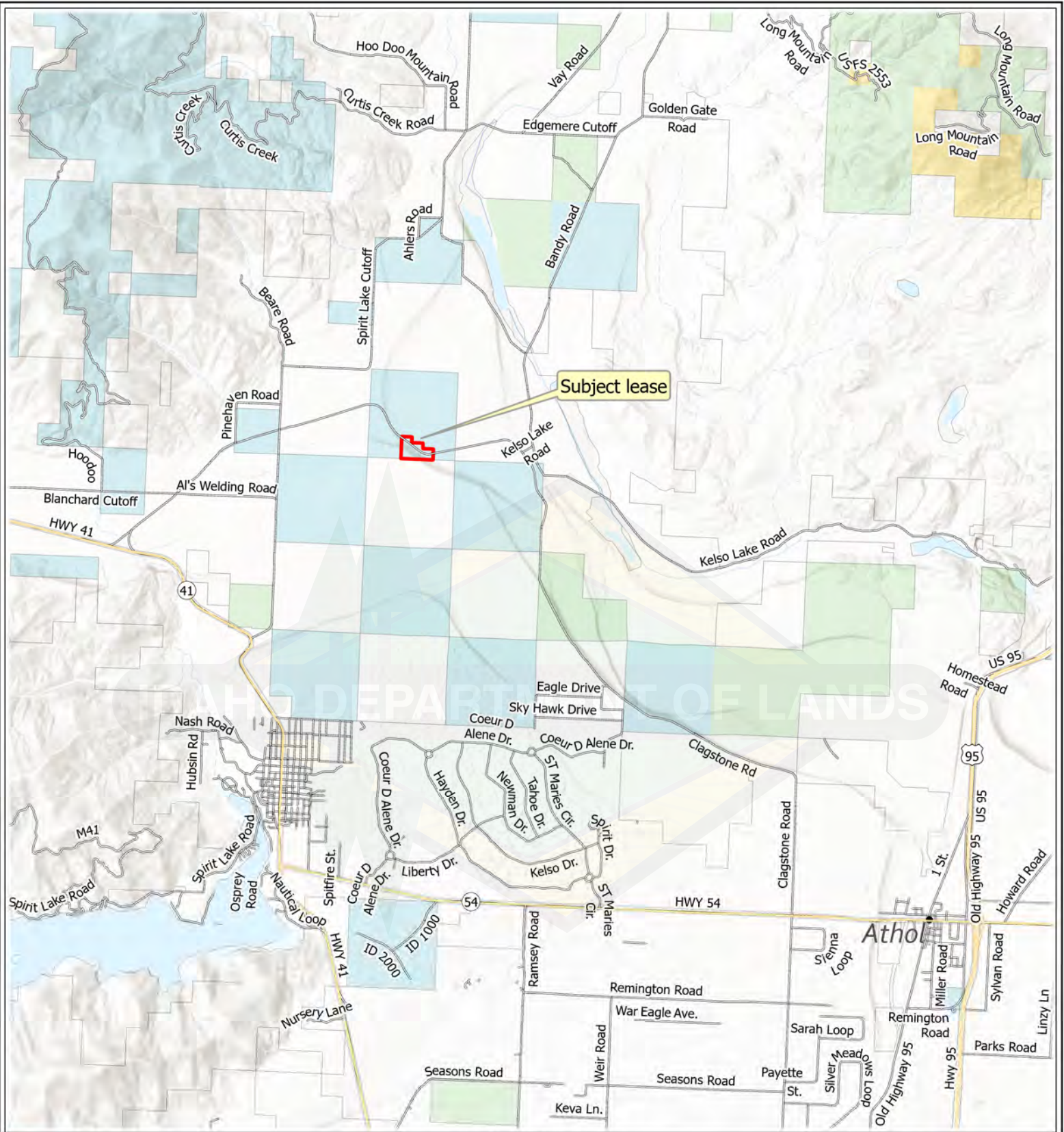
Direct the Department to award mineral lease E200009 to Premier, LLC, the high bidder at the auction.

Board Action

Attachments

1. Site Maps for Mineral Lease E200009
2. Summary of Auction Results for Mineral Lease E200009





Legend

- Subject Lease
- Local Roads
- Bureau of Land Management
- US Forest Service
- State
- Other State
- Private
- Cities
- Interstate
- United States
- Idaho

E200009-Vicinity
 Section 16- Town 54N- Range 04W
 Bonner County, Idaho

2/13/2024

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Miles

Map Notes

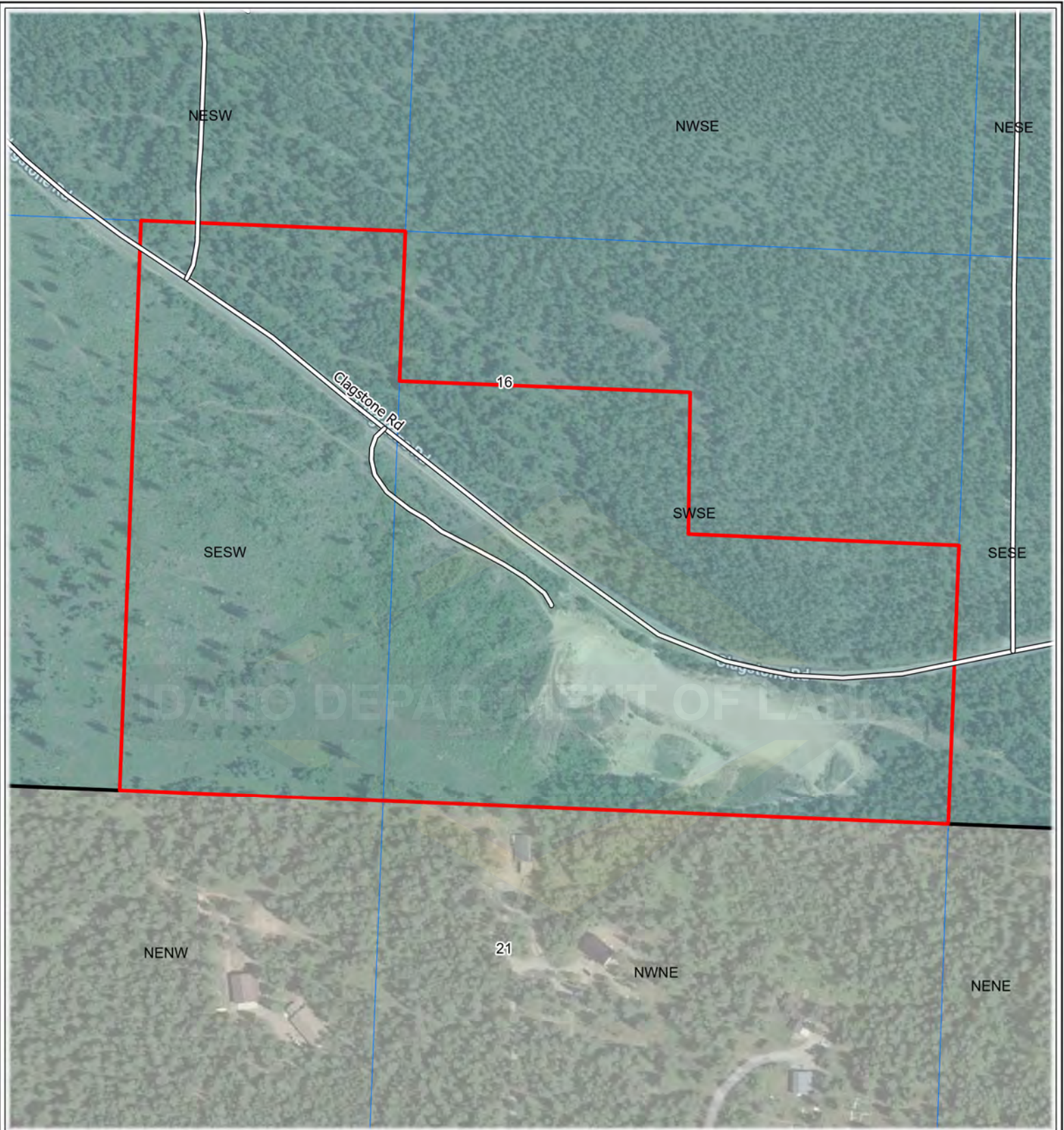
Projection: Idaho Transverse Mercator, NAD 83

Map Notes and Data Sources

Disclaimer:
 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.

Vicinity Map

Subject Lease



- Subject Lease
- Section
- State
- Private
- Roads

E200009-Detail
 Section 16- Town 54N- Range 04W
 Bonner County, Idaho

2/13/2024



0

Map Notes

Projection: Idaho Transverse Mercator, NAD 83

Map Notes and Data Sources

Disclaimer:
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Summary of May 16, 2024 Mineral Lease Live Auction

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Pend Oreille Lake	E200009	PS	10	45	Sand & Gravel	2	12	\$40,000	Premier, LLC

Total: \$40,000



STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

Authorization to purchase the Forest Legacy Program easements, known as Dawson and Skin Creek, comprising 875.1 acres of privately-owned forestland in Boundary County.

Question Presented

Shall the Land Board authorize the Department to accept the Dawson and Skin Creek tracts into Idaho's Forest Legacy Program?

Background

- The Idaho State Board of Land Commissioners (Land Board) authorizes the Idaho Department of Lands (Department) to acquire such interests by voluntary, cooperative means and to create a Forest Legacy easement pursuant to Idaho Code Title 55, Chapter 21.
- The Cooperative Forestry Assistance Act (the "Act") of 1978 (16 U.S.C. 2101 et. seq.), as amended by Section 1217 and Title XII of the Food, Agriculture, Conservation Trade Act of 1990 (16 U.S.C. 2103c), established the federal Forest Legacy Program to protect environmentally important forestlands threatened with conversion to non-forest use.
- The Forest Legacy Program is funded through congressional authorizations and offshore oil drilling royalties.

The Forest Legacy Program (FLP) is a voluntary initiative. It empowers private landowners to safeguard their forestland for perpetual timber production. Under the program, they voluntarily sell their development rights at market value, but retain land ownership, management, and revenue from their land while continuing to pay property taxes. Federal grants allow Idaho's FLP to purchase the development rights, preventing the land being converted to non-forest uses. (Attachment 1-FLP Fact Sheet).

With a growing Idaho, many large tracts of forestland are threatened by subdivision and development. Forest Legacy helps prevent sprawl into the Wildland Urban Interface or WUI, while ensuring a steady, reliable sawlog and fiber supply for industry and future mill infrastructure investments.

All properties participating in the Forest Legacy Program have a Forest Stewardship Plan, keeping the forests healthy and managed, which helps mitigate wildfire risk.

The Forest Legacy projects are not funded through Idaho's General Fund. Funding stems from congressional authorizations and offshore oil drilling royalties. Idaho competes for the money in the form of grants that are passed through the U.S. Forest Service. Participating landowners contribute a 25% match, typically via tax-deductible donations.

The Dawson and Skin Creek tracts are the final tracts to be completed as part of the Moyie River Corridor FLP Project (Attachment 2-Map). Manulife Investment Management Timberland and Agriculture Inc (MIMTA), on behalf of its client landowners Boston Timber Opportunities and Golden Pond Timberlands Inc, wish to convey the development rights of their properties by way of conservation easements to the Department to conserve these forestlands in perpetuity, thereby protecting the economic and environmental values while keeping the property in private ownership. The 25% non-federal match for this acquisition will consist of donated easement value and additional match. The Idaho Department of Fish and Game and The Nature Conservancy have also contributed funds towards completion of this project. The table below summarizes the costs.

Tract	Landowner	Appraised CE Value	Landowner Donation	FLP Contribution
Dawson	Boston Timber Opportunities	\$1,434,000	\$358,500	\$1,075,500
Skin Creek	Golden Pond Timberlands Inc	\$2,861,000	\$715,250	\$2,145,750

These acquisitions are consistent with the goals and objectives of Idaho's FLP and will protect the following significant conservation values:

- **Timber:** Idaho's Forest Action Plan identifies the area where the project lands are located as one of the highest priority areas for forestland protection in the state. According to Boundary County's Comprehensive Plan, the harvest of timber and other products from forestland in Boundary County is essential to the local economy.
- **Wildlife Habitat:** Project lands contain some of the most valuable wildlife habitat in Idaho, supporting an abundant assortment of game and non-game species including federally-listed threatened species such as Canada lynx.
- **Public Recreation:** The conservation easement terms ensure that these lands will remain accessible to the general public for non-commercial, non-motorized recreational uses including hunting, trapping, fishing, biking, hiking, cross-country skiing and wildlife viewing.
- **Landscape Scale Conservation Impact:** The Moyie River Corridor project is located in a high priority area. There are over 20 properties participating in the FLP within 10 miles of these properties.

The project has garnered broad public support by various public and private entities (Attachment 3-Public Support). The Boundary County Commissioners met on February 12, 2024 and expressed support for the project. These forestlands have substantial and significant conservation and economic values that are of great importance to the people of Idaho. The protection of these values will yield a significant public benefit.

Recommendation

Authorize the Idaho Department of Lands to accept the Dawson and Skin Creek tracts into the Forest Legacy Program by way of conservation easements.

Board Action

Attachments

1. FLP Fact Sheet
2. Map
3. Public Support



IDAHO DEPARTMENT OF LANDS

FOREST LEGACY PROGRAM (FLP)

Helping private landowners keep their working forests working.

FLP, a voluntary initiative, enables landowners to safeguard their forestland for perpetual timber production, offering financial incentives similar to selling for development. Owners retain their land, pay property taxes, and manage timber harvesting.

What land qualifies for the Forest Legacy Program?

Eligible properties must be privately owned, over 5 acres, 75% forested, and within Idaho's priority landscape areas, as per the Idaho Forest Action Plan. Funding is awarded through a competitive, nationwide process.

Are Forest Legacy projects funded by Idaho's General Fund?

No. Funding stems from congressional authorizations and offshore oil drilling royalties. Participating landowners contribute a 25% match, typically via tax-deductible donations.

Will there be more working forestlands enrolled in Forest Legacy in the future?

Yes. Idaho's industrial forestland owners are eager to expand private land enrollment in FLP. Idaho is ready to compete for a share of the \$700 million national fund allocated for FLP projects.

How would a property owner start the process?

Reach out to your local land trust, a non-profit specializing in land acquisition for public benefit, as all FLP applications need a land trust sponsor.

Why is Forest Legacy important?

FLP ensures a steady supply of industry sawlogs and fiber, mitigates wildfire risks, and prevents sprawl in the Wildland Urban Interface (WUI). It bolsters local economies by safeguarding rural jobs and enhancing recreational access, while preserving wildlife habitat, water quality, and scenic landscapes.

How does FLP safeguard the supply of fiber for industry?

FLP keeps working forests working, helping to ensure a reliable fiber supply for industry and future mill infrastructure investments. Together with endowment forestland, FLP helps sustain long-term fiber availability for mill operations, as well as sustaining jobs within our communities.

How does Forest Legacy work?

Under FLP, forestland owners sell their development rights but retain ownership, management, and profits from their land, while reducing development in the WUI. Idaho holds these rights in trust and counties still receive tax revenues from these lands.

What does FLP do to help sustain wildlife habitat?

Priority areas in FLP often overlap with crucial habitats for threatened species. Maintaining forested land supports wildlife habitats and creates corridors for movement, aiding in the recovery of species like the Bull Trout. Fewer residential structures in these areas also minimize wildlife-human conflicts.

What does FLP have to do with mitigating fire risk?

FLP requires a Forest Stewardship Plan and sustainable management per Idaho's Forest Practices Act, which reduces vulnerability to catastrophic fires. By limiting WUI expansion, it helps ensure fire protection can be provided with fewer resources.

How does FLP improve recreational access?

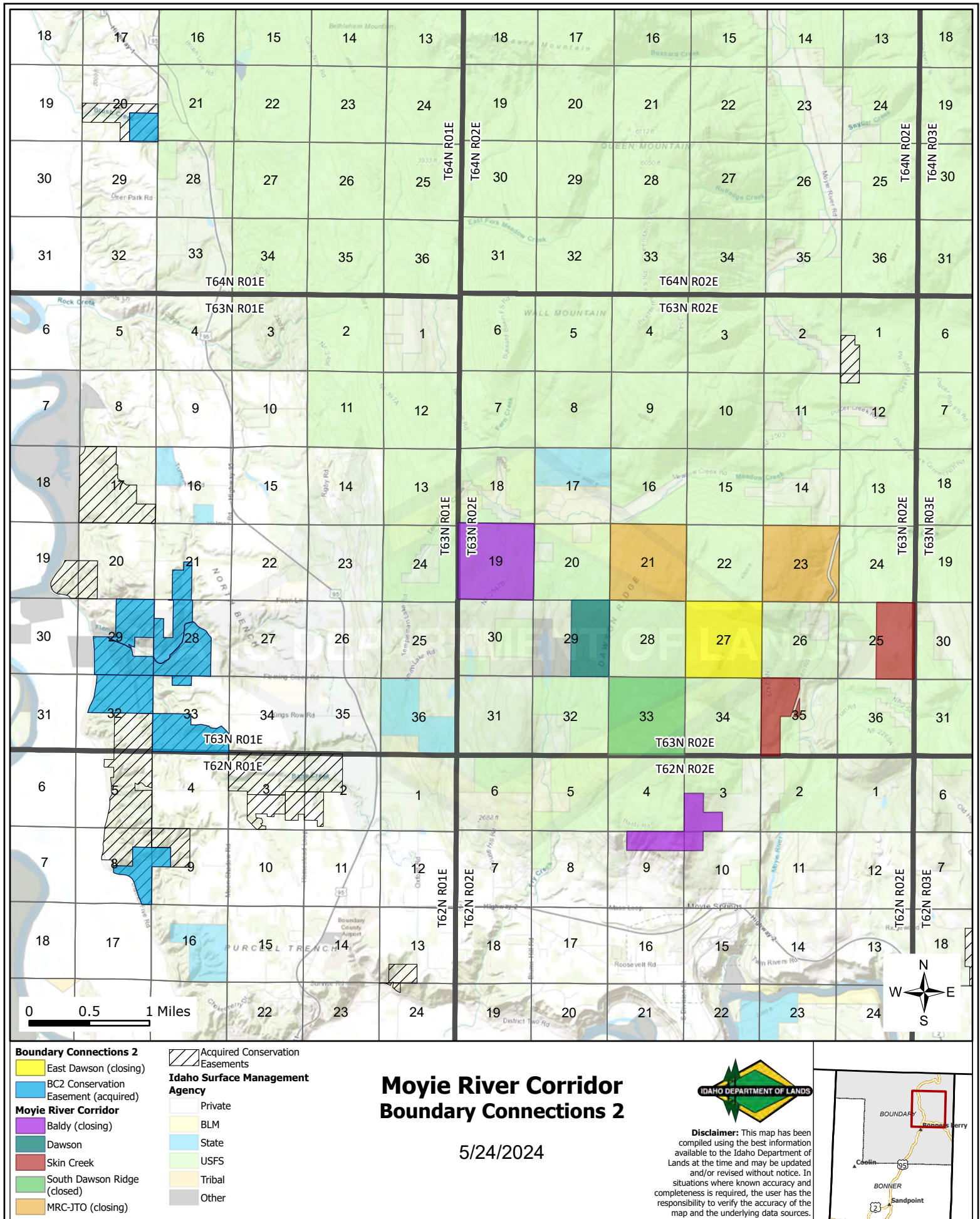
Since 2003, FLP has made 93,339 of its 103,252 timberland acres (90%) available for public recreation. As Idaho grows and demand for recreation access increases, FLP incentivizes private landowners to offer public access in line with their forest management goals.



For more info scan the code or visit

<https://www.idl.idaho.gov/about-forestry/forest-legacy-program/>





Public Support of the FY 2020-21 Moyie River Corridor Project in Boundary County

The following local, state and federal governmental agencies and local, state and regional conservation organizations provided written letters in support of the purchase of the development rights, by way of conservation easement, on the Moyie River Corridor project properties:

- City of Bonners Ferry
- City of Moyie
- Foust Logging, Inc.
- Idaho Department of Fish and Game
- Idaho Forest Owner Association
- Idaho Forest Group
- Inland Forest Management
- Stimson Lumber Co.
- Trans-border Grizzly Bear Project
- US Fish and Wildlife Service
- US Forest Service – Idaho Panhandle National Forest
- Vital Ground Foundation
- Yellowstone to Yukon Conservation Initiative

IDAHO DEPARTMENT OF LANDS

The Boundary County Commissioners have received intermittent updates on the project through the process, with the most recent update given on February 12, 2024 by Kennon McClintock with The Nature Conservancy, and Jennifer Barker, the Forest Legacy Program Manager with IDL. Present were Commissioners Wally Cossairt and Tim Bertling, who expressed support for the project. Commissioner Ben Robertson was absent due to illness, however the materials were left for his review.

Commissioners' Meeting Minutes - Week of February 12, 2024

***Monday, February 12, 2024, at 9:00 a.m., Commissioners met in regular session with Chairman Tim Bertling, Commissioner Wally Cossairt, Clerk Glenda Poston, and Deputy Clerk Michelle Rohrwasser. Commissioner Ben Robertson was out of the office.

Commissioners said the Pledge of Allegiance.

9:00 a.m., Kennon McClintock with The Nature Conservancy and Idaho Department of Lands Forest Legacy Program Manager Jennifer Barker joined the meeting to update Commissioners on the Dawson Ridge conservation easement. This particular project started in year 2018. Mr. McClintock said the appraisals have been done and they're looking forward to closing those parcels. They will go to the Land Board in order to get approval and then the properties will be closed and protected. Those present reviewed a map of the project areas. The project size originally consisted of 6,000 acres, but it's now reduced to 4,400 acres left between Hancock and Molpus. These easements are working forest lands and they won't have buildings on them, according to Mr. McClintock.

Mr. McClintock pointed out area #33, which is the area that houses the communications tower on Molpus property. The tower can stay at that location as long as it needs to, according to Mr. McClintock. Mr. McClintock reviewed where logs came from in year 2022 with 40.4% coming from private industrial land, 22.5% comes from small private parcels and 2.4% comes from British Columbia. The State contributed 22.3% and it is mostly Idaho, but could also include Washington State and Montana. Federal logs are at 12.3%. Included in the chart are the following mills: Idaho Forest Group in Moyie Springs, LaClede and Chilco, Alta in Naples, and Stimson in Priest River and Plummer. Mr. McClintock said the amounts have been dropping every year and we will see fewer logs coming off of industrial lands. State logs have increased from 13% in 2017 to 22% in 2022.

Ms. Barker asked Commissioners if they are okay if she informs the Land Board that Commissioners support the project. Chairman Bertling said yes.

The meeting with Mr. McClintock and Ms. Barker ended at 9:22 a.m.

<https://boundarycounty.us/site-page/board-commissioners>

STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

Department of Lands FY2025-FY2028 Strategic Plan

Question Presented

Shall the Land Board direct the Department to submit the FY2025-FY2028 Strategic Plan to the Division of Financial Management by July 1, 2024?

Background

Each year the Division of Financial Management (DFM) collects agency strategic plans in accordance with Idaho Code §§ 67-1901–1904. The deadline for submittal is July 1, 2024.

Discussion

In 2016, leaders in the Idaho Department of Lands (Department) worked with a consultant to define the four foundational goals that are at the heart of the Department's strategic plan. These four goals continue to represent the Department's core responsibilities and guide staff's daily activities.

The four foundational goals are:

1. **Financial Stewardship:** Fulfill the State Board of Land Commissioners' (Land Board) 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 using integrated systems that support effective and informed decision-making.

In addition to the important foundational goals, the Department's leadership team developed a set of six future-proofing goals aimed at preparing the Department for challenges yet to come. To be ready to serve a changing Idaho, the Department needs to ensure it is planning and acting now to meet future needs.

The Department developed the following future-proofing goals:

1. **Classification and Compensation:** Intentionally monitor employee pay and benefits to ensure the Department is utilizing its personnel cost (PC) appropriation to hire, develop and retain the right people in the right positions most effectively.

2. **Office Facilities:** Proactively plan for maintenance, improvements, and replacement of Department offices throughout the state.
3. **Seasonal Housing Facilities:** Address the housing needs of temporary staff who are critical to achieving the Department's mission and must have available and affordable housing options.
4. **Fire:** Monitor, understand and respond to changes that are happening in wildland fire organizations across the country due to longer and hotter seasons, fewer firefighters entering the career field, lagging wages and more citizens residing in the wildland-urban interface (WUI).
5. **Fund Integrity:** Ensure dedicated fund dollars are put to work in the programs for which they are intended and that overhead activities are funded proportionately with the correct programmatic mix.
6. **Policy and Procedure:** Update and organize the Department's many policies and procedures that inform its employees' daily work while ensuring governance is clearly established and authority is delegated where appropriate.

The Department's foundational goals are likely to remain long into the future. The future-proofing goals are also seen as long-term efforts, though they may evolve over time as the Department continues to identify and prioritize new initiatives that need attention.

The Department will continue to incorporate tasks and objectives that align with strategic plan goals into employee performance plans. Specific tasks have been identified for each of the goals to help provide staff with clear direction. This alignment between employee performance measurement and the strategic plan ensures that effort is focused on the most important goals and that each employee can more clearly see how his or her role directly links to the goals of the Department.

The proposed strategic plan structure, which includes the Department's mission, vision, goals, and strategies is provided as Attachment 1.

The Department's final strategic plan submission on or before July 1, 2024 will meet all of the required elements as outlined by DFM.

Recommendation

Direct the Department to submit its FY2025-FY2028 Strategic Plan to the Division of Financial Management by July 1, 2024.

Board Action

Attachments

1. FY2025-FY2028 Strategic Plan

Idaho Department of Lands

Strategic Plan FY2025 – FY2028

Vision

Prepared for tomorrow's natural resource challenges.

Mission

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

Guiding Tenets

By focusing on our staff, customers, processes, and finances, IDL will remain a healthy, proactive and effective organization. To that end, departmental decisions should consider the following:

- **Fiduciary Duty** – Does this decision maximize long term financial returns from endowment lands and provide for prudent management of state funds and resources?
- **IDL Staff** – Is this decision consistent with the development and retention of a high performing workforce that is cohesive and accountable?
- **Customers** – With this decision, are we providing exemplary service to our customers?
- **Processes** – Is the decision informed by data and consistent with our policies and procedures?
- **Forward-looking** – Is this decision preparing us for success in the future?

IDL Programs Make Idaho Better!

We are committed to meeting our mission by executing our core programs and delivering results with professionalism and a love of Idaho's natural resources.

In the **Timber** program we manage over 1 million acres of productive timberland to produce sustainable revenue for the endowment beneficiaries. Timberland is managed intensively while focusing on long term health and productivity. The Timberland asset class currently provides about 25-30% of timber utilized by Idaho's vibrant \$2.5 billion forest products industry while producing impressive returns on endowment lands. The department uses high quality data and modeling to develop our sustainable timber harvest plans.

The **Fire** program is responsible for fire suppression on over 9 million acres of endowment, private, and federal lands in Idaho and provides cooperative fire suppression throughout the state. Our fire suppression operations are conducted safely and aggressively with the goal of suppressing at least 95% of fires at 10 acres or less.

The **Real Estate and Endowment Leasing** programs lease land assets including rangeland, farmland, and residential and commercial real estate and lease mineral assets. These asset classes (timber excluded) make up approximately 1.4 million acres of land in Idaho. As the department has divested of much of the residential and commercial real estate over time, the programs continue to explore new ways to generate revenue for the beneficiaries such as commercial and energy leasing. Real Estate Services also manages land acquisitions, land disposals, exchanges and easements which are used to block up and improve access to endowment lands, add desirable land to the portfolio, and address underperforming assets.

The **Minerals, Navigable Waterways, and Oil & Gas** programs provide statewide regulatory oversight of active and legacy extraction operations while protecting the public's use of navigable lakes and rivers. We regularly partner with local, state, and federal agencies to ensure Idaho's beautiful outdoors are utilized, protected and restored.

The **Forestry Assistance, Shared Stewardship** and **Good Neighbor (GNA)** programs work with federal, state, county, and private partners to help manage and protect forest and rangelands throughout the state. Since wildfire, insects and disease do not recognize ownership boundaries, it is vital that all owners of Idaho lands collaborate to actively manage their forests and implement fuel reduction treatments. Healthy forests are more resistant to negative impacts from fire, insect, and disease threats.

External Factors Affecting Future Performance

We believe by focusing on our core competencies while simultaneously preparing for what a changing and growing Idaho may hold, we will continue to flourish. Some external factors that we will need to monitor, acknowledge, and respond to are:

- Population Growth
 - An increase in residents building homes in the Wildland-Urban Interface (WUI) creating greater risk of property and lives lost in wildland fires
 - Changing customer expectations for the work we do and services we provide
 - More residents, more landowners, and more neighbors creates an increased need for education and information sharing regarding management requirements on endowment and public lands
- Competition for Skilled Labor
 - Private sector and other public employers compete with IDL for employees
 - Increased cost of living and housing cost make talent recruitment difficult
 - Natural resource careers may be less appealing to the younger generations
 - Additional shortages of contractors including those that work for our timber purchasers such as log truck drivers
- New initiatives, programs or mandates that increase our workload and create gaps in our expertise
- Changing public priorities that can lead to significant policy shifts in a short time
- World events that create economic challenges such as continuing inflation, economic stagnation, or periods of recession

Our Foundational Goals: 2025 – 2028

Under the direction of the Land Board, IDL is primarily focused on meeting the Land Board's constitutional mandate to manage state endowment trust lands "in such a manner as will secure the maximum long-term financial return" to the beneficiary institutions. Further, IDL (1) administers Idaho's public trust lands – the lands beneath the beds of Idaho's navigable lakes and rivers for the benefit of all Idahoans, (2) contributes to protection of water quality and other resources by overseeing forest and mining practices, (3) remediates abandoned mine lands, and (4) provides service and assistance to Idahoans through forestry and fire management programs. The following foundational goals place these obligations front and center:

Foundational Goal 1 – Financial Stewardship

Maximize long term financial returns from the endowment lands and prudently manage state funds and resources.

- Task 1 – Proactively monitor and take actions to improve our return on investment (ROI) on state endowment land in line with Land Board direction.
- Task 2 – Meet our sustainable timber sales objectives as directed by the Land Board.
- Task 3 – Manage our spending through a conservative approach and regular communications, reporting and analysis.
- Task 4 – Explore, analyze and (where appropriate) introduce new income streams to the leasing programs.
- Task 5 – Establish Key Performance Indicators for endowment programs to track and improve financial performance.
- Task 6 – Ensure all financial audits are passed successfully.
- Task 7 – Contain 95% of wildfires to 10 acres or less.

Foundational Goal 2 – Customer Focus: Act with professionalism and integrity, providing exemplary service to external and internal customers.

- Task 1 – Using the variety of tools available today, produce educational and informational materials to help Idaho citizens legally and safely utilize the lands we manage and protect.
- Task 2 – Proudly reaffirm the endowment mission and continue to support the beneficiaries.
- Task 3 – Where appropriate, engage with the potentially affected customers to ensure quality and transparency of our actions.

Foundational Goal 3 – People: Develop a well-trained, high performing workforce focused on carrying out the Department's mission.

- Task 1 – Prioritize and support staff development from employee onboarding to growth of professional expertise.
- Task 2 – Develop leaders and reinforce our culture of career-long learning and advancement.
- Task 3 – Evaluate options to re-establish the Leadership Development Program or a similar program.
- Task 4 – Ensure that the executive leadership team continues to grow professionally, thereby improving the ability to develop other Department staff.

Foundational Goal 4 – Process: Implement policies and procedures using integrated systems that support effective and informed decision making.

- Task 1 – Integrate and improve business processes with secure technology systems and infrastructure.
- Task 2 – Provide staff with tools and systems that are simple, functional and efficient.
- Task 3 – Establish and update governance, policies, and procedures to direct agency operations.
- Task 4 – During policy and procedure development and review, focus on empowering decision-making at the lowest level possible.

Our Stretch Goals: 2025 – 2028

Idaho remains a rapidly growing state and we anticipate that the state will continue to evolve in both predictable and unpredictable ways. More people, more parcels, and more homes lead to growth in the wildland-urban interface (WUI), changing expectations around land management and a general increase in the demand for our services. The same issues pose a threat to endowment land management and our ability to stay true to the endowment mandate. The Department recognizes that it must remain diligent and true to our strengths but also ready to pivot and evolve as needs change.

In addition to our core foundational goals, IDL leadership will continue to focus on several ongoing goals during the next 4 years that we believe will help prepare us for success in the future. The goals may evolve over time but will remain focused on preparing for the future. The goals are:

Future-Proofing Goal 1 – Classification & Compensation: Intentionally monitor our pay and benefits structure to ensure we are utilizing our personnel cost (PC) appropriation to hire, develop and retain the right people in the right positions most effectively.

- Task 1 – Through the compensation committee, evaluate and address classification and compensation issues such as hiring rates, pay inequities, employee classification, salary compression, and change in employee compensation (CEC) implementation.
- Task 2 – At the Division level, analyze staffing for each area/bureau/program to identify opportunities to right size to meet specific needs.
- Task 3 – Implement reasonable telework and flexible scheduling where appropriate, effective, and consistent with IDL and state policies.
- Task 4 – Use micro-learning or other means, such as state benefits/retirement experts to communicate the value of the generous employee benefit package to improve employee retention.

Future-Proofing Goal 2 – Office Facilities: Proactively plan for maintenance, improvements, and replacement of our offices throughout the state.

- Task 1 – Through the executive team and facilities and fleet manager, develop a plan for office facility upgrades and replacement including a prioritized list of potential structure replacements, major expansion/remodel projects, safety/security upgrades, and office relocations.
- Task 2 – Within the plan above, define the space needs and aesthetic expectations for future structures to provide uniformity and to be financially responsible.
- Task 3 – Investigate alternative means of funding necessary facility upgrades (dedicated funds/Idaho Building Authority/etc.)
- Task 4 – Present the facilities plan to the Land Board for information/consideration.
- Task 5 – Implement the prioritized plan and continue planning for future needs.

Future-Proofing Goal 3 – Seasonal Housing Facilities: Address the housing needs of temporary staff who are critical to achieving our mission and must have available and affordable housing options.

- Task 1 – Similar to office facilities, through the executive team and facilities and fleet manager, develop a plan for seasonal housing including a prioritized list of needs from most to least urgent and document the best potential solution for each area.

- Task 2 – Continue working with other agencies with similar needs to identify solutions, increase efficiency, and share expense and effort.
- Task 3 – Explore options for new structure types that could potentially serve the workforce (e.g., mobile homes, prefab bunkhouse, existing homes/apartments, etc.) considering feasibility for each site including cost, benefits, lifespan, build time, etc.
- Task 4 – Analyze whether land bank funds could be used for acquisition of seasonal housing.
- Task 5 – Utilize external information sources and expertise as we move forward at each location.
- Task 6 – Present the seasonal housing plan to the Land Board for information/consideration.

Future-Proofing Goal 4 – Fire: Monitor, understand and respond to changes that are happening in wildland fire organizations across the country due to longer & hotter seasons, fewer firefighters entering the career field, lagging wages and more citizens residing in the wildland-urban interface (WUI).

- Task 1 – Continue implementation and monitoring of the new master agreement and identify potential future adjustments.
- Task 2 – Continue progress on a comprehensive strategic plan within the IDL fire program to include a vision, mission, goals, factual current status data and future-state scenarios that must be met to ensure the capacity to protect Idaho's natural resources.
- Task 3 – Continue to expand the Department's ability to compete for and employ professional firefighters through pay, benefits, housing, and developmental opportunities.
- Task 4 – Cooperate with efforts outside of IDL aimed at increasing the pool of available firefighters over time.
- Task 5 – Develop and execute the Leader's Intent for each fire season.

Future-Proofing Goals 5 – Fund Integrity: Ensure that dedicated funds are utilized by the programs for which they are intended and that overhead activities are funded proportionately with the correct programmatic mix.

- Task 1 – Analyze data and identify specific changes needed to ensure funds are used appropriately and in the proper proportions (fund integrity) to meet Department needs.
- Task 2 – Analyze and modify employee funding sources to align work with funding as closely as possible.
- Task 3 – Identify specific changes that will result in measurable progress towards improved fund integrity.

Future-Proofing Goal 6 – Policy & Procedure: Update and organize the many policies and procedures that inform our daily work while ensuring governance is clearly established and authority is delegated where appropriate.

- Task 1 – Ensure that IDL policy and procedure aligns with statutes, rules, and Land Board policies.
- Task 2 – Continue to revise or move existing directives, currently in multiple formats (e.g., Land Board memos, minutes, governance delineations), into an existing or new policy.
- Task 3 – Establish a schedule to review policy on a recurring basis and hold staff accountable to update policy as needed.

Appendix A – Benchmarks and Performance Measures

Note: The performance measures are typically longstanding measures that the Department believes are reasonable measures of performance. They are reported annually and tied to the strategic plan, as shown, but may not exactly align with the tasks within the foundational and stretch goals. A strategic plan may evolve from year to year while performance measures often remain consistent over time.

Goal (Type)	Objective	Benchmark	Performance Measure
Financial Stewardship (Foundational)	Manage endowment timberland consistent with our fiduciary duty	Timber sale volume offered is consistent with Land Board direction	Offer 328 million board feet (mmbf) of timber for sale for future harvest
Financial Stewardship (Foundational)	Management endowment timberland consistent with our fiduciary duty	Achieve appropriate return on investment	Net return on timberland of at least 3.5%
Financial Stewardship (Foundational)	Protect endowment land consistent with our fiduciary duty	Initial attack effectiveness	At least 95% of wildfires contained at less than 10 acres
Financial Stewardship (Foundational)	Protect endowment lands consistent with our fiduciary duty	Fire suppression resource preparation	Fire readiness reviews completed on at least half of fire districts
Customer Focus (Foundational)	Provide exemplary service to forest landowners and operators	Forest practice compliances inspected	Inspect at least 50% of forest practice compliances issued
Customer Focus (Foundational)	Provide exemplary service to endowment lessees	Percentage of lease instruments fully executed by the expiration date	At least 90% fully executed
Customer Focus (Foundational)	Provide exemplary service to landowners and the forest products industry	Check scales conducted by the Idaho Board of Scaling Practices	At least 150 check scales conducted
Office Facilities (Future Proofing)	Replace facilities as needed	Develop a plan for replacement of office facilities as needed	Plan is developed for potential presentation to the Land Board
Classification and Compensation (Future Proofing)	Maintain appropriate staffing levels	Analyze the use of temporary and permanent staff across programs	Analysis is completed and guidelines are developed and implemented
Seasonal Housing Facilities (Future Proofing)	Address the need for seasonal housing	Develop a plan to meet seasonal housing needs	Plan is developed for potential presentation to the Land Board
Fire (Future Proofing)	Safe and effective fire suppression	Master agreement implementation	Monitor successes and shortcomings for future adjustments to the agreement
Fund Integrity (Future Proofing)	Ensure programs are funded from appropriate funding sources	Data collection and analysis	Collect data and develop an understanding of the situation

Policy & Procedure (Future Proofing)	Review, update, and organize policies and procedures	Schedule ongoing policy review	Recurring schedule is established, and staff are accountable
Fire (Future Proofing)	Safe and effective fire suppression/employee qualifications	Percentage of engines staffed with fully qualified crew	At least 75%
Fire (Future Proofing)	Safe and effective fire suppression/employee retention	Percentage of seasonal firefighters returning to IDL	At least 50%



IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

State Participation as a Member of Timber Protective Associations

Question Presented

Shall the Land Board authorize state participation as a member of the Clearwater-Potlatch Timber Protective Association (CPTPA) and Southern Idaho Timber Protective Association (SITPA)?

Background

Title 38, Chapter 1, Idaho Code – Idaho Forestry Act

Discussion

Idaho Code § 38-104 requires that prior to continued state participation as a member, the Director of the Idaho Department of Lands (Department) shall annually review each timber protective association for the following:

- a. The governing and managing structure;
- b. The condition of equipment and its proposed use;
- c. The adequacy of liability insurance; and
- d. The training of personnel.

Readiness reviews of the above items were conducted at CPTPA on May 22, 2024 and SITPA on May 15, 2024. No significant deficiencies were found during the readiness reviews and the Department has determined that both timber protective associations are able to perform their duties in a manner that justifies continued state participation.

Recommendation

Authorize state participation as a member of the Clearwater-Potlatch Timber Protective Association and Southern Idaho Timber Protective Association.

Board Action

STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

Deficiency Warrant Authority for Fire Suppression Costs in Fiscal Year 2025.

Question Presented

Shall the Land Board authorize issuance of deficiency warrants to pay fire suppression costs in FY2025?

Background

Title 38, Chapter 1, Idaho Code – Idaho Forestry Act.

Discussion

Idaho Code § 38-131 states: *"In the event the actual cost for control or suppression of forest fires in any forest protective district exceeds in any one (1) year the maximum moneys available for forest protection in that district from the general fund provided for that purpose, the State Board of Land Commissioners may authorize the issuance of deficiency warrants for the purpose of defraying such excess costs and when so authorized the state controller shall, after notice to the state treasurer, draw deficiency warrants against the general fund."*

Annual fire suppression costs for the State of Idaho are impossible to predict; as a budgetary placeholder, the legislature includes a minimal suppression appropriation each year in the Idaho Department of Lands' (Department) budget. Actual costs will exceed the appropriation before the fire season is over. A graph representing the state of Idaho's wildland fire annual costs over the last 20 years, adjusted for inflation to represent 2024 dollars, is shown in Attachment 1. The Department will provide monthly fire suppression expense updates to the Land Board throughout the 2024 fire season.

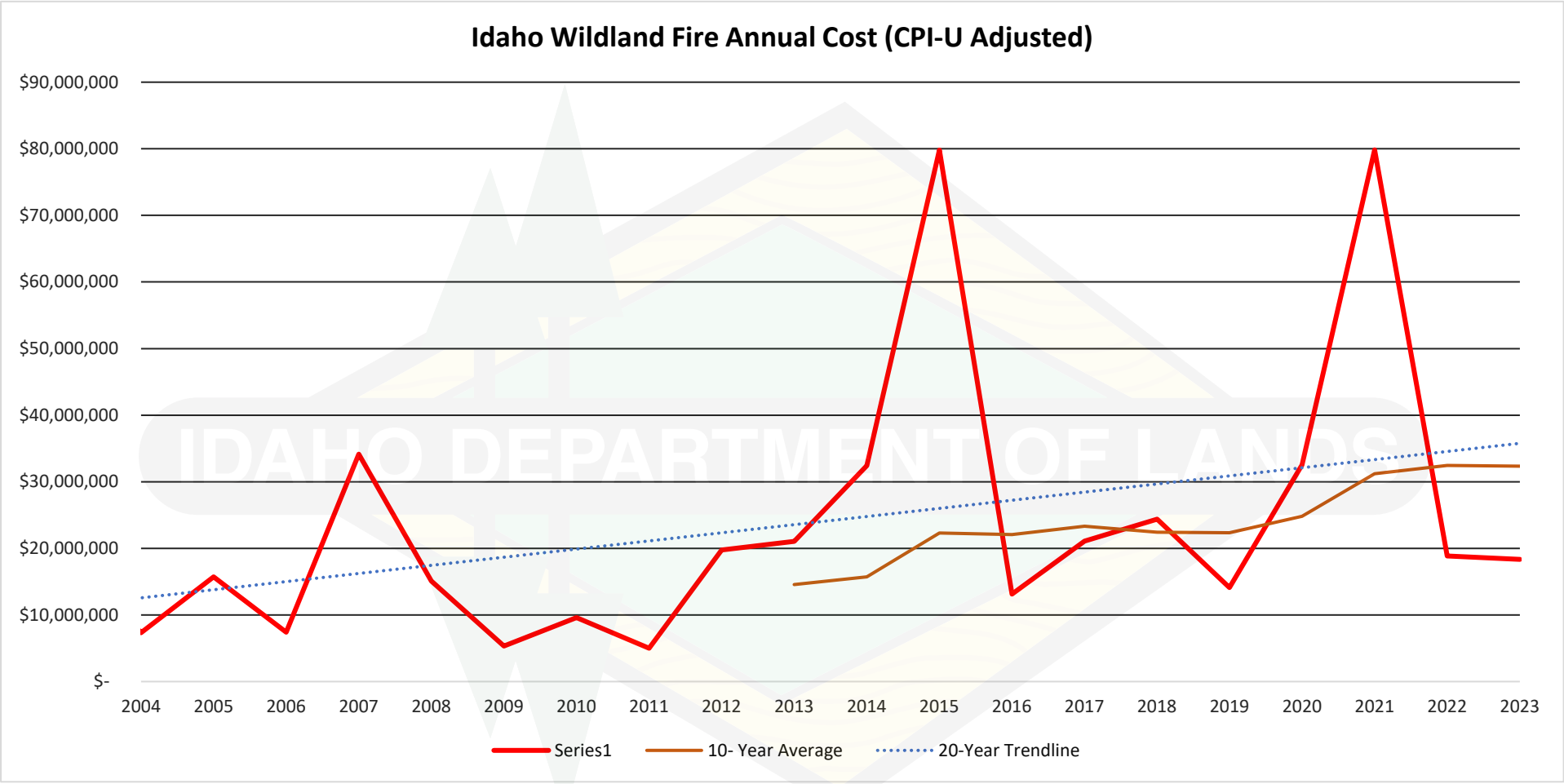
Recommendation

Authorize issuance of deficiency warrants to pay the fire suppression costs in FY2025.

Board Action

Attachments

1. 20-year Wildland Fire Annual Cost Graph





Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

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

May 21, 2024

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, May 21, 2024 at the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson Street, Boise, Idaho, and via webinar. The meeting began at 9:35 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little

Honorable Secretary of State Phil McGrane

Honorable Attorney General Raúl Labrador

Honorable State Controller Brandon Woolf

Honorable Superintendent of Public Instruction Debbie Critchfield

All members were present at the physical location.

Note that the Land Board meeting start time was delayed from the published agenda time due to an unusually lengthy Board of Examiners meeting that immediately preceded the Land Board meeting. Three members of the Land Board are also seated on the Board of Examiners.

Prior to discussion of agenda items, Director Miller announced the Department's 2023 Employees of the Year. Recipients were Laurie Stone, Robert Funk, Marte Meredith, Alice St. Pierre, Tyre Holfeltz, and Ed Wingert. Each praiseworthy employee received an award and certificate, then gathered with Land Board members for picture taking.

Governor Little stated that agenda items 1 and 2 would be heard in reverse order, to accommodate the Endowment Fund Investment Board (EFIB) members and staff that were present who needed to depart for their own board meeting after the EFIB presentation.

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

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

Discussion: Chairman Wilford introduced members of the Investment Board in attendance at the meeting, including Joe Forney, Representative Kenny Wroten, Mary Pat Thompson, Senator Chuck Winder, Jerry Aldape, Bob Donaldson, Brian Yeargain and Irv Littman. Chairman Wilford also recognized EFIB staff who were present: Chris Anton, Kathy Van Vactor and Chris Halvorson. Chairman Wilford then turned the presentation over to Mr. Anton.

Mr. Anton provided a summary of the past several months, recalling that financial markets began to rally in December as inflation continued to moderate, the Federal Reserve indicated that inflation was nearing their target, and they would likely begin to cut interest rates during 2024. The challenge experienced recently in January, February, and March is that inflation is actually flat to modestly higher the first three months of the calendar year. In April, markets began to sell off because of concern that declines in inflation may have stalled out, and that the Federal Reserve would keep interest rates higher for a longer period of time which could jeopardize the economy. At one point the markets anticipated six interest rate cuts during calendar year 2024, and now anticipate one cut in December. During the month the portfolio was down 3.3%, but up 7.5% in fiscal year-to-date. During May, when April inflation data came out, there were signs of inflation continuing to moderate. The market breathed a sigh of relief and rebounded; through yesterday the fund is up 11.7% fiscal year-to-date. The fund more than recovered the declines experienced during the month of April and is in a solid place going into fiscal year end.

Governor Little remarked he received real estate data from Mr. Anton, but it does not show up on the report. Mr. Anton noted the Governor's interest in the performance of the two private real estate funds, CBRE and DWS, and gave an overview of that marketplace. The private real estate market has declined for seven consecutive quarters, nearly the same amount of time as during the great financial crisis [2007-2008] when it was down nine quarters. Mr. Anton had reported in April that the private real estate market was close to the bottom. During the first quarter, the DWS RREEF fund was down .03% and the Core Partners fund was down .65%. Regarding Governor Little's specific question about the reporting, Mr. Anton said these are flash reports, providing data fairly close to the end of the quarter. The custodian rolls the numbers in once they are audited; it may take another week or two. It will not have a big impact on performance given the numbers are fairly flat, but the data will show up on the report.

C. Semi-Annual Report

Discussion: Mr. Anton mentioned a few of the highlights from the semi-annual report. Page 3 provides an overview of the total assets overseen by the Investment Board. There are a number of strategies that are invested similarly to the Land Grant endowment strategy, in the same bucket of money. As of April 30th, there was \$3.1 billion in the Land Grant endowment fund; DEQ, Fish and Game, Parks and Recreation, and Department of Lands also had money invested in that same strategy. Those are endowed funds that support reclamation and other projects. The second portfolio is the reserves for the State Insurance Fund; that is a very different strategy, much more conservative, primarily invested in fixed income. Overall, the Investment Board has oversight of about \$4.3 billion as of the end of April.

Page 7, as mentioned earlier, through the end of April investment return was 7.5% for the first 10 months. To date it is up over 11%. That number equates to about \$185 million in additional fund balance during the fiscal year. Page 8 shows the trends: a blip down in 2020, when Covid first hit, and then a huge spike up with a return of about 30% in fiscal year 2021. As a result of both fiscal and monetary stimulus to get the economy going, the market spiked, then the Federal Reserve began to increase interest rates to fight inflation, and the market sold off. Page 9 lists earnings reserves, very close to the target of seven years of reserves for each of the beneficiaries' funds. The next graph shows the trend in beneficiary distributions. The Investment Board's goal is to maintain steady and growing distributions and has been very successful with the policies that the Land Board implemented in doing that. The Land Board approved fiscal year 2025 distributions in August 2023; the total was a little over \$103 million. Finally, on page 11, just to refresh everyone's memory, another duty that EFIB has is to oversee the School Bond Credit Enhancement program. When school districts issue bonds to support the construction of new schools, the first credit rating or credit analysis is based on property taxes, districts ability to bring in property taxes to fund their debt service. On top of that, the State provides a guarantee. Thanks to the Governor and many other people's efforts to bring the credit rating up, the State's credit rating is now triple A, but in terms of the guarantee only a double A passes through to the school districts. The third layer is that EFIB enhances the State's guarantee by indicating that if there is a problem and the State cannot back up the school district, EFIB will loan the State money out of the Public School endowment fund to make the debt service payment. As of the end of April, there was \$520 million in outstanding commitments. Under the program, the limit is \$40 million per school district, and it is backed by \$300 million of the Public School endowment fund assets. It has the effect of making a triple A, it reduces the interest expense on the debt issued by the school districts by about .05%. It is not a huge amount but over 30 years it makes a significant difference.

Governor Little had a question of the Investment Board, asking if members would tie up \$1 billion for a quarter million benefit. Governor Little stated that is in code, and he is an advocate for it. The Governor commented that there is basically a cloud over \$1 billion dollars for the benefit of only \$250,000, and recommended an update to the Legislature from the Investment Board: is this the best thing to do with tying up that money. Mr. Anton said it will be taken under consideration. Controller Woolf asked how many school districts are using this currently. Kathy Van Vactor answered there are currently 50 school districts participating.

Superintendent Critchfield mentioned, while the subject is schools and the endowment, one of the things she hears regularly from community members, in her visits to north Idaho, is a comparison of seemingly equal distribution of the endowment to places that do not contribute as heavily to the endowment. Superintendent Critchfield asked if the Investment Board has had discussion on considerations of areas in Idaho that are producing timber and selling timber, that they might have more to gain from the endowment than folks in places that are not? Mr. Anton responded the Investment Board's perspective is that EFIB provides the distribution to the Department of Education and is not involved in how that is divvied up. EFIB transfers money into the fund at the Treasurer's office and does not have a say so on how that money is spent. Superintendent Critchfield asked the Governor and Land Board members if that distribution is in statute and has it been on the books for a long time. Governor Little replied yes to both questions, and suggested that EFIB could ask the Superintendent's question of its counsel and run the numbers.

Secretary of State McGrane commented that the challenge for the schools is that it is a collective action problem, similar to sales tax distribution. Most of the sales tax in the state is generated here in the valley, but it has to be distributed in some way to even it out. Superintendent Critchfield added that the overall public schools' distribution is not equal; it is not a one-to-one. It is a very complicated and complex formula that takes in all sorts of elements including the average of how many students are attending and what a book costs in a classroom and more. Superintendent Critchfield noted that it is something to discuss. The Land Board may or may not have the ability or the desire to do anything, but there are some valid questions there. Governor Little extended appreciation to Investment Board members and EFIB staff for their service.

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – April 2024
- B. Leases and Permits – April 2024

Discussion: Governor Little referred to page 2 of item B and wondered if the military needs to pay their bills. Director Miller explained the commercial military facilities payment was received; however, it is currently being categorized with communication sites in the new financial system. For that reason, this report is showing the payment as not received.

Status Updates

- C. Pre-Season Fire Brief

Discussion: Governor Little asked if the 40-60% staffing level is standard, or is it above or below average. Josh Harvey indicated that is about average for the last few years; some districts are having greater challenges than others in filling positions. Controller Woolf asked if there were any concerns about not having a Helitack crew or leadership. Mr. Harvey answered there are no current concerns. The ship that the Department is looking to bring on only requires a manager; the helicopter is not capable of carrying additional personnel but has a much higher capacity for hauling water and dropping water on fires which makes up for the loss of personnel. Secretary of State McGrane shared that during his pack test the week prior, there was mention of the federal agencies increasing their pay significantly, in some instances offering \$20,000 hiring bonuses, which is making it harder for the Department to compete. At the same time, by increasing firefighter pay, the federal partners are struggling in other ways and may be cutting fire staff. Mr. Harvey said the Department has had recent conversations with Forest Service regional leadership and they are closing facilities that have expensive property leases and using those funds to help support personnel. Mr. Harvey added that some neighboring states are doing similar things with their pay to recruit. Director Miller remarked that it is likely not sustainable at the federal level; there was some legislation proposed to make pay incentives permanent, but he has not heard more on that.

Director Miller expressed appreciation for Land Board support for firefighter bonuses in the Department's fiscal year 2025 budget; the plan for how to allocate bonuses once the money is received is almost finalized. The Department implemented a policy to pay for boots for firefighters and field-going staff which is on par with federal agencies and a good incentive for rookie firefighters who do not have a lot of money for purchasing boots. Governor Little anticipates a more in-depth fire report in June, and asked for a percent of force with that report, including Forest Service, BLM, and State personnel. If the Department is 100% but the BLM and

Forest Service are only 50% that means trouble on some of these big fires that are cross-jurisdiction. Overall, in the fire world, where are all agencies as percent of preparedness for the fire season.

For the record, Secretary of State McGrane stepped out of the meeting at approximately 10:13 a.m. to administer election-related business.

Consent—Action Item(s)

- 3. Disclaimer of Interest Request DI600317–Hall and Sons LLC, Boise River** – *Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance*

Recommendation: Direct the Department to issue a Disclaimer of Interest for two parcels totaling 28.42 acres of the former bed of the Boise River, to Hall & Sons, LLC following their payment to the Department of the remaining processing fee of \$300.

Discussion: Governor Little noticed in the documentation that when Hall & Sons procured some of the land from Staker & Parsons there was a prohibition on gravel extraction and asked if this ground is given fee simple, with the exception of the easement. Mr. Wilson replied the Department is not giving away land, just clearing up title. The Department gets clear title to where the river is today and relinquishes any interest in title the State may have had to where the river used to be in the past. Governor Little clarified that, in essence, when the Department cleans up the deed by issuing a disclaimer, a restriction on the adjacent ground does not follow the ground cleaned up because it is kind of a no man's land until the Department takes this action. Mr. Wilson said that is correct; the Department is not privy to any agreements that Hall & Sons may have had with the prior property owners.

- 4. Results of April 24, 2024 Mineral Lease Live Auction** – *Presented by Jason Laney, Section Manager-Leasing*

Recommendation: Direct the Department to award mineral lease E700062 to Premier, LLC, the high bidder at the auction.

Discussion: None.

- 5. Approval of Draft Minutes** – April 16, 2024 Regular Meeting (Boise)

Consent Agenda Board Action: A motion was made by Controller Woolf that the Land Board adopt and approve the Consent Agenda. Superintendent Critchfield and Attorney General Labrador simultaneously seconded the motion. The motion carried on a vote of 4-0.

Regular—Action Item(s)

- 6. Commercial Real Estate Advisor** – *Presented by Bill Haagenson, Deputy Director*

Recommendation: Authorize the Department to contract with Heartland LLC to serve as the Land Board's Commercial Real Estate Advisor.

Discussion: Controller Woolf asked if Heartland has any ties, in any shape or form, to CenturyPacific? Mr. Haagenson answered the Department is not aware of any connection between those two firms. Controller Woolf inquired what helped set Heartland above Canyon Data, what were the key points in the decision or recommendation to go with Heartland? Mr. Haagenson responded that this was an Investment Subcommittee recommendation; the Department did concur with the recommendation from the Investment Subcommittee. Mr. Haagenson offered, if he were to attempt to speak for that committee, that it started with a more robust response to the RFP, and a better plan for how Heartland will work with the Land Board and address the Land Board's needs. The presentation and the interview process that the Investment Subcommittee conducted reinforced that impression. Of the two, Heartland came across as better prepared to serve the Land Board, though either could function in that role.

Board Action: A motion was made by Controller Woolf that the Land Board authorize the Department to contract with Heartland LLC to serve as the Land Board's Commercial Real Estate Advisor as recommended by the Subcommittee. Superintendent Critchfield seconded the motion. The motion carried on a vote of 4-0.

Governor Little proposed deferring the Endowment Land Energy Leasing Policy item to the June 18th Land Board meeting. Governor Little explained that the latest revised draft of the Energy Leasing Policy was received just the day prior (May 20th) and additional review time was needed. All Land Board members agreed with the proposed deferral.

For the record, Secretary of State McGrane returned to the meeting at approximately 10:24 a.m., and offered his concurrence with the above-mentioned deferral.

Information

7. Proposed Rule IDAPA 20.04.01, Rules Pertaining to Forest Fire Protection – Presented by Josh Harvey, Bureau Chief-Fire Management

Discussion: Governor Little asked about the fire watch, that there has to be somebody from the logging operation on duty three hours after the last chain saw is shut off. Is that new or is that moved from somewhere else? Mr. Harvey said that has been the rule for a while. Superintendent Critchfield noticed in the materials the two comments the Department received. One comment was incorporated, information from the DEQ, but not comments submitted about the posting of the no smoking sign. Superintendent Critchfield inquired who submitted that? Mr. Harvey replied he was not 100% sure, not having the comment in front of him, but believed it was the Associated Logging Contractors. Superintendent Critchfield asked what is the Department's process for determining if a comment will be incorporated or not? Mr. Harvey responded that when the Department receives comments, depending on what the comment is, staff will engage in direct dialogue with the commenter. If the comment concerned, for instance, not only Department of Lands, but DEQ, staff would engage with those partners as well and discuss the merits of the comment and how to best address it, if it needs to be addressed. Superintendent Critchfield noted in her reading of the comment it did seem like a reasonable comment to be incorporated, and the response to the comment seems to reinforce the comment.

8. Proposed Rule IDAPA 20.04.02, Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws – *Presented by Josh Harvey, Bureau Chief-Fire Management*

Discussion: None.

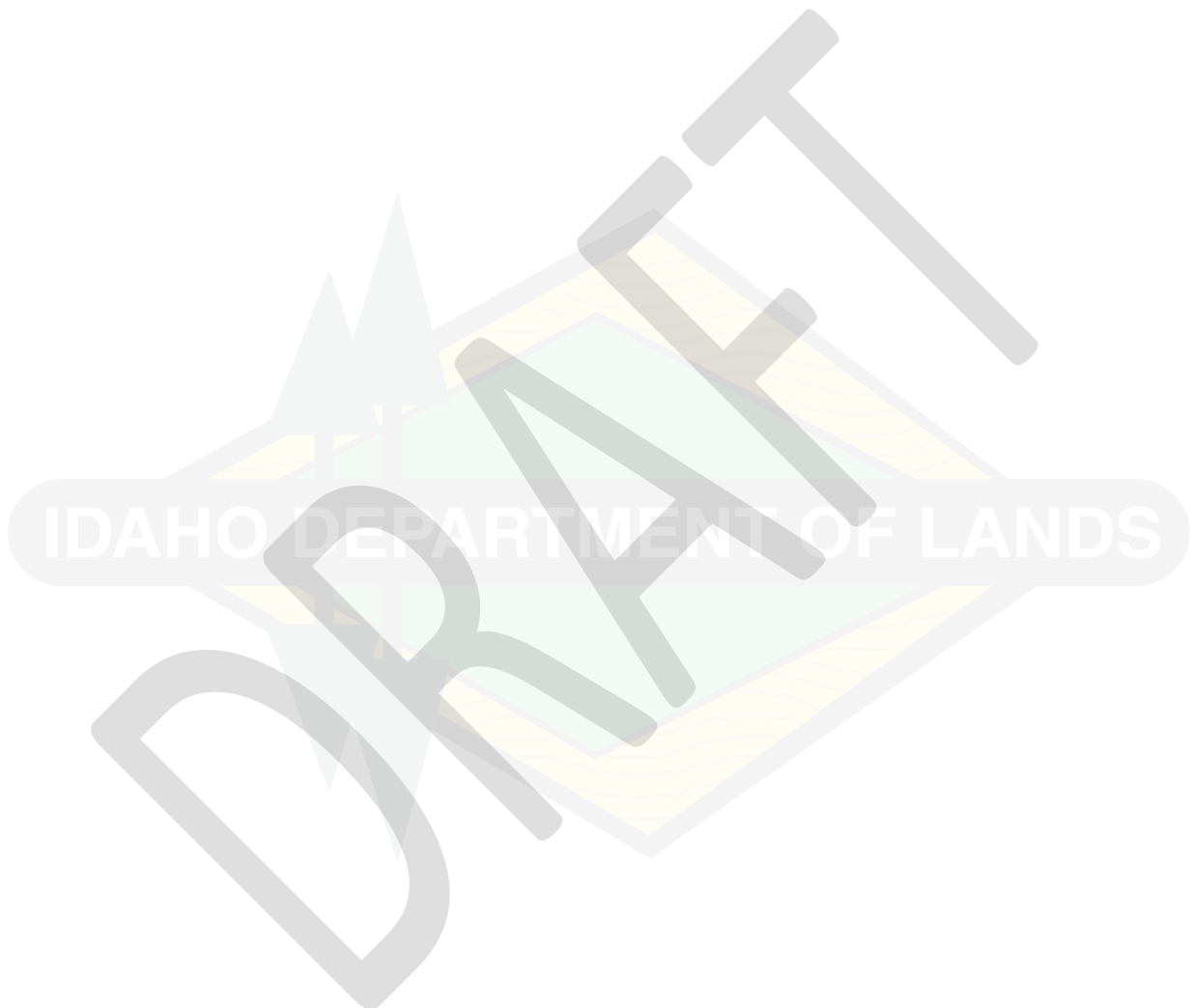
9. Department of Lands' Legal Staffing Process – *Presented by Dustin Miller, Director*

Discussion: Secretary of State McGrane asked about engagement or participation of the Land Board in this process. Will the final applicant come before the Land Board at a meeting? Director Miller responded the Department will bring a recommendation on a final candidate to the June Land Board meeting. The position is currently advertised, there will be conversations with Land Board members and staff on the pool of applicants, and recommendation of the final candidate at the June Land Board meeting for approval. Secretary of State McGrane asked what the relationship of the lead attorney [general counsel] will be with the Land Board; will that person be advising the Land Board? Director Miller said his understanding is that individual will be advising the Department and not the Land Board. Attorney General Labrador helped answer that question, noting the way the Legislature passed the bill is the Department of Lands has their own attorneys now, but the Attorney General continues to be the attorney for the Land Board. It is clearly spelled out in the statute. There are some legal issues that potentially will be looked at with whether the Department can have their own attorneys. Secretary of State McGrane observed something interesting in Idaho Code § 58-101; it basically suggests that the Department is the arm of the Land Board. Attorney General Labrador concurred it is an arm. That is the legal question presented to the Legislature then; the Attorney General's office said that the Department of Lands is actually an arm of the Land Board, so they should not have different legal counsel. The Constitution makes it clear that the Attorney General has to be the attorney for the Land Board; that was the purpose of including the Attorney General as one of the five members of the Land Board. Attorney General Labrador stated his office is doing its best to assist with the statute as was passed, working very closely with Dustin, and offering help. There are a lot of cases happening right now, and it would not be fair for all those cases to be dumped on one attorney in one month to have to get on top of those. The statute allows the Department to contract with the Attorney General's office, for ongoing litigation and other matters. Attorney General Labrador elaborated that the way he envisions it, and the Land Board will have many discussions about this, the Land Board approves that a contract should be granted, it is no longer now the Attorney General's responsibility to draft that contract, it will be now the Department of Lands' job to draft the contract. The Land Board makes the ultimate decision and when the Land Board needs legal advice on whether that ultimate decision is legal, valid, constitutional, the Land Board goes to the Attorney General's office for that legal analysis. The implementation of what the Land Board has decided will be the Department of Lands through their attorney who does that. Secretary of State McGrane thanked Attorney General Labrador for taking time to walk through that. Governor Little said he may have a different opinion, but that discussion is for another time. Director Miller stated the June Land Board meeting is a month out; the Department is hoping to have a candidate by then, but if not, they will be coordinating closely with the Attorney General's office to contract for any services in the interim.

Executive Session

None

There being no further business before the Land Board, at 10:45 a.m. a motion to adjourn was made by Controller Woolf. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.



STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Regular Agenda

Subject

Endowment Land Energy Leasing Policy

Question Presented

Shall the Land Board approve the Energy Leasing Policy?

Background

As part of ongoing efforts to fulfill its fiduciary responsibilities to endowment beneficiaries, the State Board of Land Commissioners (Land Board) tasked the Idaho Department of Lands (Department) to regularly review and recommend necessary policies and procedures for leasing activities on endowment lands. Recently, there has been a substantial increase in interest in potential energy projects on private or federal lands adjacent to endowment lands. In some cases, the planned developments would greatly benefit through the expansion of activity to endowment land. Due to this increased interest, and the potential for substantially increased leasing revenue, the Department recognized the need for a policy governing energy leasing practices. The implementation of such a policy will provide clarity for project proponents, improve efficiencies, protect endowment lands, and allow for the growth of the energy leasing portfolio by participating in these projects proposed by the private sector.

Discussion

Over the past several months, the Department has led a thorough collaboration to review its leasing process and develop a policy for energy leasing activities on endowment lands. This was accomplished through meetings with the Office of Energy and Mineral Resources, researching and discussing the energy leasing policies and activities of several adjacent states, and incorporating significant amounts of language provided by the Office of Attorney General identifying the necessary parameters that must be met when evaluating these projects. The energy leasing policy identifies the permitted types of energy leases, criteria that must be met before seeking Land Board approval of energy leasing opportunities, the use of the traditional leasing process or a Request for Proposal (RFP) process, and stipulates specific lease provisions that must be present in energy leases to maximize revenue and protect the endowments. It is important to note that this policy does not supersede any authority the Land Board has to approve or deny any lease at its discretion.

The goal is to provide a streamlined, uniform way to perform energy leasing transactions while abiding by all relevant codes and statutes. This will allow the Department to explore

opportunities to increase revenue generating activity on endowment lands. The energy leasing policy and related procedures will provide direction and consistency for energy leasing, ensure the endowments and endowment lands are protected for the life of the lease, and work with existing leasing programs to explore further ways to meet the fiduciary mission of endowment lands.

Recommendation

Approve the Energy Leasing Policy.

Board Action

Attachments

1. Energy Leasing Policy draft

The logo of the Idaho Department of Lands is a large, stylized diamond shape. It features a light green center with a wavy pattern, surrounded by a yellow border with a wavy pattern, and an outer grey border. A grey banner with the text "IDAHO DEPARTMENT OF LANDS" in white capital letters is superimposed over the center of the diamond.

IDAHO DEPARTMENT OF LANDS



Energy Leasing Policy

Purpose

This policy establishes requirements for energy leasing on endowment lands and delegates certain related decision-making authority to the Director of the Idaho Department of Lands.¹

Agency Contact

Bureau Chief - Real Estate Services

Policy

Allowed Types of Energy Leases

- I. This policy applies to leases of state endowment land for an electric energy production facility (Facility) with a gross rated capacity of at least 10 MW. The Department shall evaluate energy lease applications, initiate the Request for Proposal (RFP) process, and create and maintain leasing processes for activities consistent with existing energy leases.

II. **Land Board Approval of Commercial Lease or RFP Proposals**

Any proposed Facility lease exceeding twenty (20) years shall require approval of the Land Board prior to advertising a lease initiated through either the RFP process or the traditional lease process.

III. **RFP Versus Traditional Lease Application Process**

- A. The Department has discretion to determine whether a particular parcel or lease opportunity is best suited for the Request for Proposal (RFP) process versus the traditional lease advertisement process. The Department should pursue an RFP when, after considering factors, including, but not limited to, the income generating potential of the parcel, prevailing market conditions applicable to the parcel, recent expressions of interest in leasing opportunities, ongoing development activities in the vicinity, strategic objectives outlined by the Land Board or Department leadership, managerial complexities, and whether the concerned lands are in transition, it determines there exists a competitive interest in the lease opportunity.
- B. An RFP should be used in situations where a proposed Facility would be primarily or solely located on endowment land; the subject land has multiple interested lessees; potential lessees have a strong interest in a long-term lease (more than 20 years); or there is potential for multiple energy uses on the subject land.
- C. In situations where the RFP process is employed, a lease will be negotiated between the Department and the selected proponent of the RFP. Once lease terms have been agreed upon, and upon initial approval of the Land Board, the resulting lease and land will be publicly

¹ This policy does not apply to oil and gas leasing or to geothermal leasing, which are subject to IDAPA 20.03.15 and 20.03.16, respectively, and in the event of any conflict between this policy and any provision in those rules, those rules shall control.

advertised as available for lease. If there is only one applicant, then the applicant will be offered the lease. The lease will then be presented to the Land Board for consideration and potential approval. If there are two or more applicants, then a live auction will be held among the applicants and the live auction procedures of section E. shall be used.

- D. A traditional lease process should be employed in situations: (1) involving relatively small additions of endowment land to existing energy leases/projects or, (2) where endowment land would be added to energy projects comprising primarily federal land, and (3) where the characteristics of the endowment land indicate, with a high degree of certainty, that there will not be competition for competing uses (such as properties with poor access, properties located in areas with limiting geographic features, limiting environmental or zoning factors, etc.).
- E. In situations where the traditional lease process is employed, following initial approval by the Land Board of the proposal, the initial terms of the lease, including rent, will be communicated to applicants during the advertisement period. At the end of the advertisement period, if there is only one applicant, the terms of the lease will be updated and offered to that applicant. If executed by the applicant, the lease will be presented to the Land Board for consideration and potential approval. If the lease has more than one applicant during the advertisement period, the lease will be offered at a live auction among the applicants. The bidding during the live auction will determine a one-time premium bid for the right to execute the lease; the terms of the lease will be updated based on the successful bidder, and the lease will be offered to that party. If executed, the lease will be presented to the Land Board for consideration and potential approval.

IV. **Energy Lease Provisions**

The following list of items, which is not exhaustive, should be adequately addressed in all Facility leases to ensure protection of endowment trust lands:

- A. Adequate financial assurances in a form and amount sufficient to ensure compliance with all terms and conditions of the lease, as determined by the Department, are required. Acceptable forms include, without limitation, cash bonds, payment bonds, performance bonds, letters of credit or other security deemed acceptable to the Department (to assure compliance with all terms and conditions in each phase of the lease, including decommissioning, remediation, and restoration of the leased property). These financial assurances must be in place prior to and throughout each applicable phase of the lease through the life of the lease. In addition to specific lease phase bonds, a bond shall be in place sufficient to cover two years' rent extending through complete reclamation upon termination, should operations cease for any reason, including through the complete reclamation of the leased property in accordance with the terms of the lease. Additional financial assurances are required to cover risks not anticipated at the time of the original lease. Lessee shall indemnify lessor against all costs actually incurred in the event of default or disaster, and it is the intent of the Land Board that such potential liability be the subject of adequate financial assurances to ensure lessor is protected against all such reasonably anticipated risks.
- B. Insurance shall be required to adequately cover full replacement costs of all infrastructure, improvements and fixtures allowed, constructed, or placed on the leased premises during each phase of the lease and sufficient to cover all hazards and risks, including, but not limited to, damage, injury or death to persons, damage to real and personal property, improvements and

fixtures; environmental hazards, pollution, and pollution impairment; risks and damage resulting from fire; earthquake; flooding; automobile; workers compensation; etc. All insurance shall provide policy limits on a per incident basis and that all defense costs shall be and remain outside of policy limits. The lessor and its agents shall be additional insureds under all such policies. Insurance policy limits shall be reviewed at least every five (5) years by lessor and lessee and, if necessary to provide the coverage required of this section, modified accordingly. If modification of policy limits is not agreed upon, lessor retains the right to terminate the lease.

- C. Leases cannot be sublet or assigned without the prior written consent of lessor in its sole discretion and upon terms and conditions acceptable to lessor. Any approved sublease or assignment of the lease shall require proof, satisfactory to the Department in the Department's sole discretion, that the assignee or sublessee has experience with projects of like size and kind, expertise, and financial resources to perform all terms and conditions of the lease. No assignment or sublease shall extend beyond the term of the lease that is the subject of the assignment or sublease and shall terminate upon the termination of the lease. Any approved sublease or assignment shall not relieve the original lessee or assignee of its obligations under the lease, unless specifically released from such liability by lessor, which release may be granted in lessor's sole discretion. In the event of a sublease, there shall not be any prepayment of rent beyond the current rent period. In no event shall lessor be liable for any obligations of sublessor to the sublessee for application of the payment of rent or otherwise.
- D. Leases shall adequately protect the lessor's interests in the lease and the subject parcel(s) from events of lessee's insolvency, bankruptcy, liquidation, receivership, lien foreclosure, etc.
- E. Mortgages and security interests may be permitted upon the prior written consent of lessor, provided lessee is not then in default of any term or condition of the lease, and upon terms and conditions acceptable to the lessor. Any mortgage or security interest created without lessor's prior written consent shall be void. All rights of a lender or mortgagee shall be subordinate to lessor's interest in the lease and in the real property the subject of the lease, and any such mortgage or security interest shall secure only lessee's leasehold interest and improvements owned by lessee. No mortgage or security interest shall extend beyond the term of the lease. Upon termination of the lease for any reason, all mortgages and security interests shall also automatically terminate. In the event of default by the lessee, the holder of a mortgage or security interest or mortgagee, may cure such default within the time period allowed for lessee to cure, or within thirty (30) days after lessee's cure period ends; and if the holder of the mortgage or security interest or mortgagee cures the default within such period, then the lease shall not be terminated for any such default. If the holder of a mortgage, security interest or mortgagee successfully forecloses against the lessee for default under the mortgage or security interest while the lease remains in effect, and the holder of the mortgage or security interest or mortgagee sells or otherwise transfers or assigns the foreclosed interest to a successor, lessor's prior written approval of such successor must be obtained before the transfer or assignment is effective. Prior to assuming the rights of a successor lessee under the lease, the proposed purchase or assignee of the foreclosed interest must first be approved in writing by the lessor, which approval shall be in the sole discretion of lessor and subject to the same qualifications and requirements as a valid assignee subject to lessor's approval.

- F. Leases shall permit the lessor to terminate the lease if the terms and conditions of any plan required by the lease, or any subsequent update of such plan, cannot be agreed upon.
- G. A third-party expert, selected by the Department, will review, and offer recommendations regarding the adequacy, feasibility, projected cost, and implementation of the Decommissioning and Reclamation Plan and any updates thereto during the term of the lease. The costs of the third-party evaluation shall be paid for by the lessee.
- H. Financial assurances for Decommissioning and Reclamation shall be based on the cost for completion of the Decommissioning and Reclamation Plan, as agreed by the parties or a mutually-agreed third party, determined at the execution of the lease, plus fifteen (15%) (including, but not limited to, costs to transport and deposit all materials to a recycling or disposal facility, net of salvage value) or as otherwise required by the Land Board. The financial assurances amount will be reevaluated and adjusted after the approval of the construction plan and the Decommissioning and Reclamation Plan, at regular intervals not exceeding 5 years, and or as otherwise deemed necessary or appropriate in the sole discretion of the lessor.

Revision History (Board Action)

DATE First approved iteration of this policy.



DUSTIN T. MILLER, DIRECTOR
EQUAL OPPORTUNITY EMPLOYER

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Boise, ID 83720-0050
Phone (208) 334-0200
Fax (208) 334-5342

To: IDL Firefighters, Staff, and Agency Cooperators

From: Dustin Miller, Director

Date: May 3, 2024

Subject: Leader's Intent – 2024 Fire Season

With the 2024 fire season right around the corner, we must be ever mindful about everyone's safety. As I routinely say, the safety of our firefighters, all support personnel, and the public is paramount, and it will always be.

We all know that Idaho's citizens, forest industry partners and leaders expect the Idaho Department of Lands to suppress fires quickly and aggressively with an eye towards limiting costs, but safety will never be compromised. Just like any other fire season, it is imperative that you rely on your training, experience, and best judgement to ensure everyone's safety this fire season.

Snowpacks across Idaho this past winter were variable, with the southern part of the state receiving more snowfall than the north. But despite this variability, fire weather prediction forecasts are calling for an average fire season in 2024. However, we cannot let our guard down. This season we will continue with our goal of keeping 94% of the fires that occur on land we protect to 10 acres or less. Last season we nearly achieved this important suppression goal.

The new norm of longer fire seasons and more extreme fire behavior coupled with unprecedented demand for personnel and resources has required us to adapt over the past several years. Ongoing drought conditions, uncharacteristically high fuel loading on certain lands, a growing population recreating on Idaho's rangelands and forests, and the expansion of the Wildland Urban Interface (WUI) all pose significant challenges.

Idaho's policy makers are acutely aware of these changes occurring on Idaho's landscape, and IDL leadership continues to do its part to ensure policy makers are well informed of the destruction caused by catastrophic fires across the west. They understand how the unnatural accumulation of fuels on the landscape and persistent drought contribute to those catastrophic fires, and the risk this places on landowners, the public and firefighters. And because of this, they know we must continue our work to build and maintain a strong firefighting force to protect Idaho's citizens and natural resources.

Since the historic 2015 fire season, IDL has charted a course to ensure we could meet our commitments to Idaho's forest industry and citizens - maintaining a high success rate on initial attack and keeping fires small. We have an obligation to do this, as protecting the natural resources and communities of a changing Idaho is paramount to the IDL mission.

We assessed our needs, conducted a fire program review, and have made significant progress in growing and modernizing our firefighting force. This includes an incremental process to acquire the funding, positions and resources needed to build capacity. We will continue to diligently plan and advocate for the future needs of our statewide program.

Our persistent work along with support of the Governor, Land Board and Idaho Legislature has resulted in increased wages for firefighters, hazard differential pay, paid R&R, a boot stipend policy, new permanent fire line leadership positions, re-establishing and staffing the East Idaho Forest Protective District, and funding for new equipment for this district and elsewhere. Additionally, Governor Little and the 2024 Idaho Legislature approved funding for bonuses to recognize our employees who participate in fire.

I can say with confidence we have made great strides in the march toward modernization, but more work is needed. More investments in our people, training, suppression capacity, fuels treatments and prevention are crucial as we continue dealing with the growing threat of catastrophic fire.

At the federal level, the U.S. Forest Service continues to implement the wildfire crisis strategy. They seek to utilize all available resources and authorities and work with partners on strategic forest health treatments by prioritizing fire sheds across the west. Their initial investment of nearly \$1 billion will dramatically increase the pace and scale of forest health treatments across the west over the next 10 years. Addressing risks on National Forest lands, and on adjacent state and private lands, is critical. This larger scale effort complements Idaho's work under the Good Neighbor Authority, the Shared Stewardship Initiative and Hazard Fuels Mitigation initiatives. This restoration project work is essential in mitigating the threat of wildfire spread across the landscape.

I am sincerely proud of the men and women that make up our wildland fire program, and I cannot say enough about how much I appreciate your passion, dedication, and desire to serve. Like I said earlier, your safety and the safety of all fire personnel and the public is the number one priority. As IDL wildland firefighters, we will always fight fire aggressively after accounting for safety first, and I ask that line officers and agency administrators articulate this leader's intent on fire incidents this summer. Finally, the professional conduct of our fire personnel both on and off the fire line is in part why the IDL fire program is held in high regard, and that is where it is to remain.

Thank you for your service to the people of Idaho. Be safe, be aware and please take care of each other this season.

A handwritten signature in black ink that reads "Dustin T. Mikh". The signature is written in a cursive, flowing style.

Summer Wildfire Outlook

Jim Wallmann

Predictive Services

National Interagency Fire/Coordination Centers

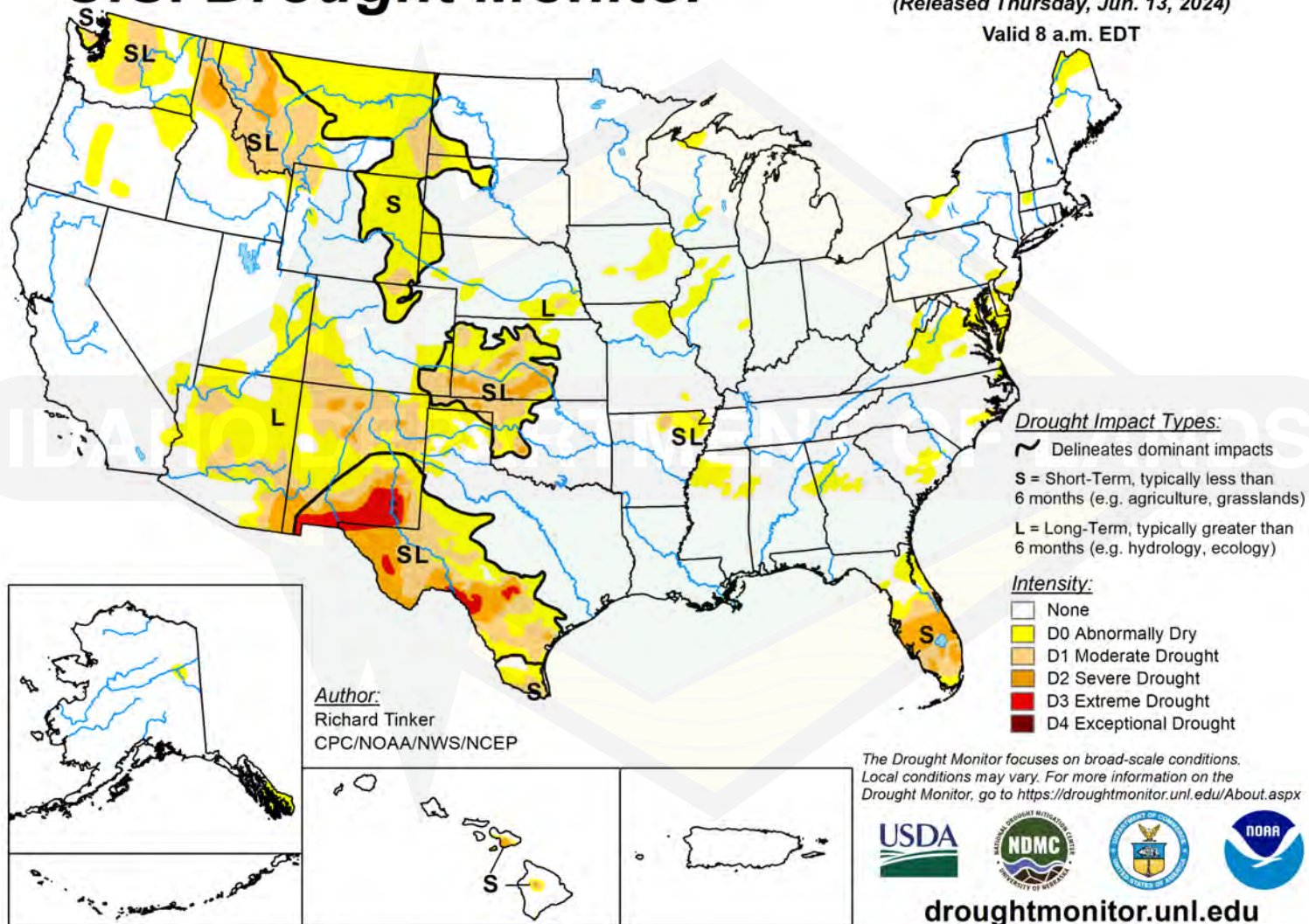
Boise, Idaho

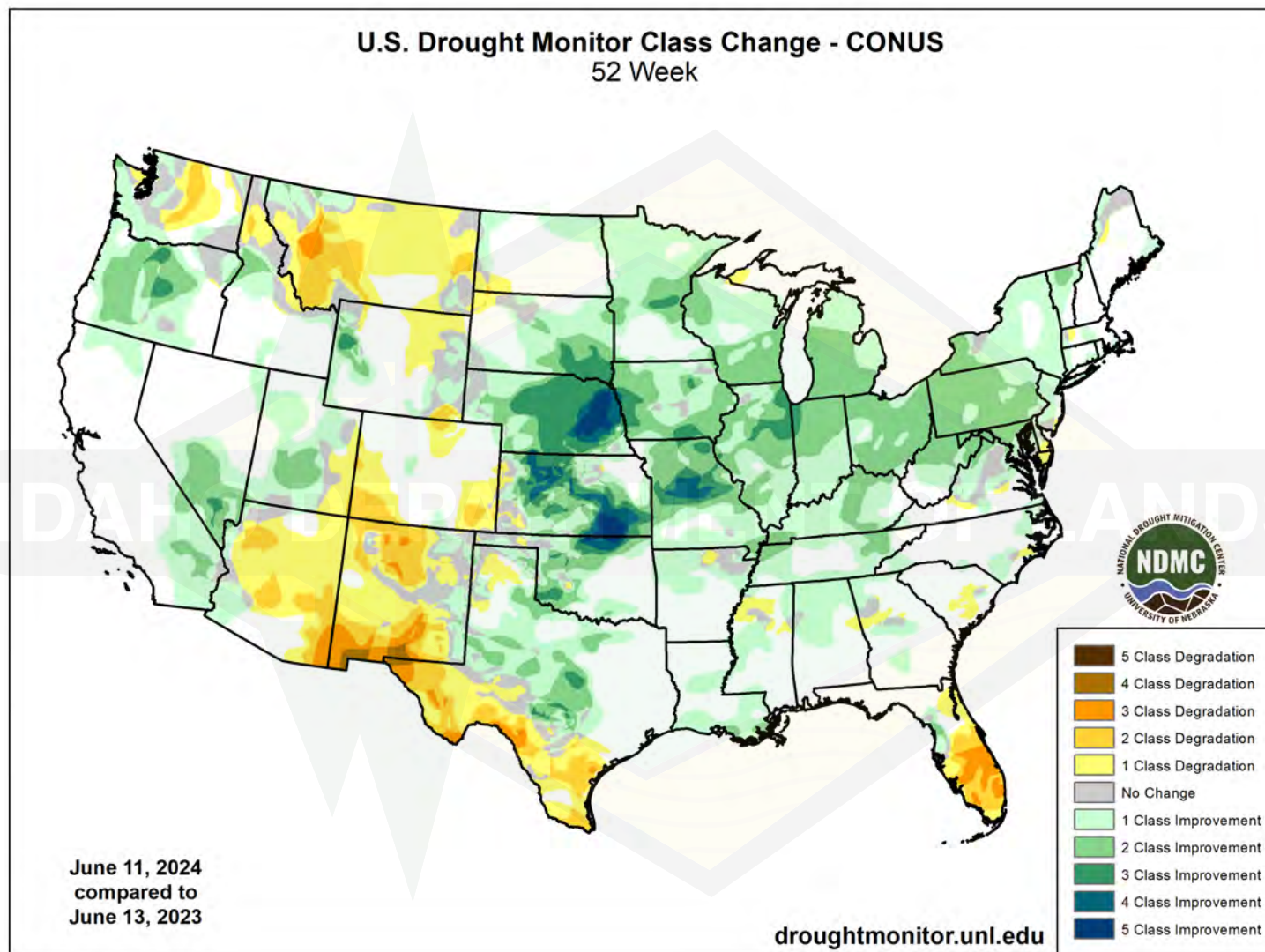
U.S. Drought Monitor

June 11, 2024

(Released Thursday, Jun. 13, 2024)

Valid 8 a.m. EDT





U.S. Drought Monitor Idaho

June 11, 2024

(Released Thursday, Jun. 13, 2024)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	70.22	29.78	19.72	5.75	0.00	0.00
Last Week 06-04-2024	70.22	29.78	19.72	5.75	0.00	0.00
3 Months Ago 03-12-2024	51.13	48.87	25.20	8.75	0.00	0.00
Start of Calendar Year 01-02-2024	55.32	44.68	18.73	5.13	0.00	0.00
Start of Water Year 09-26-2023	74.49	25.51	20.13	11.45	0.04	0.00
One Year Ago 06-13-2023	53.84	46.16	21.57	0.00	0.00	0.00

Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

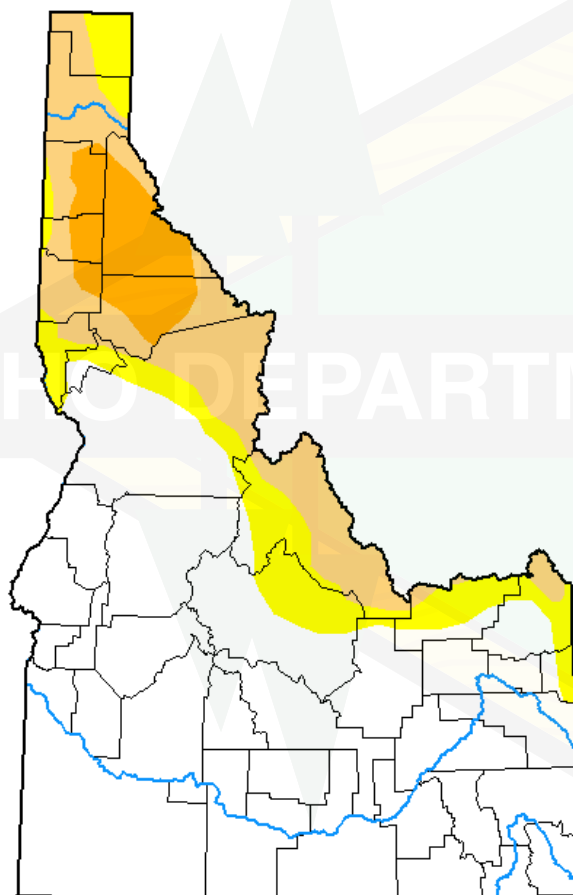
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

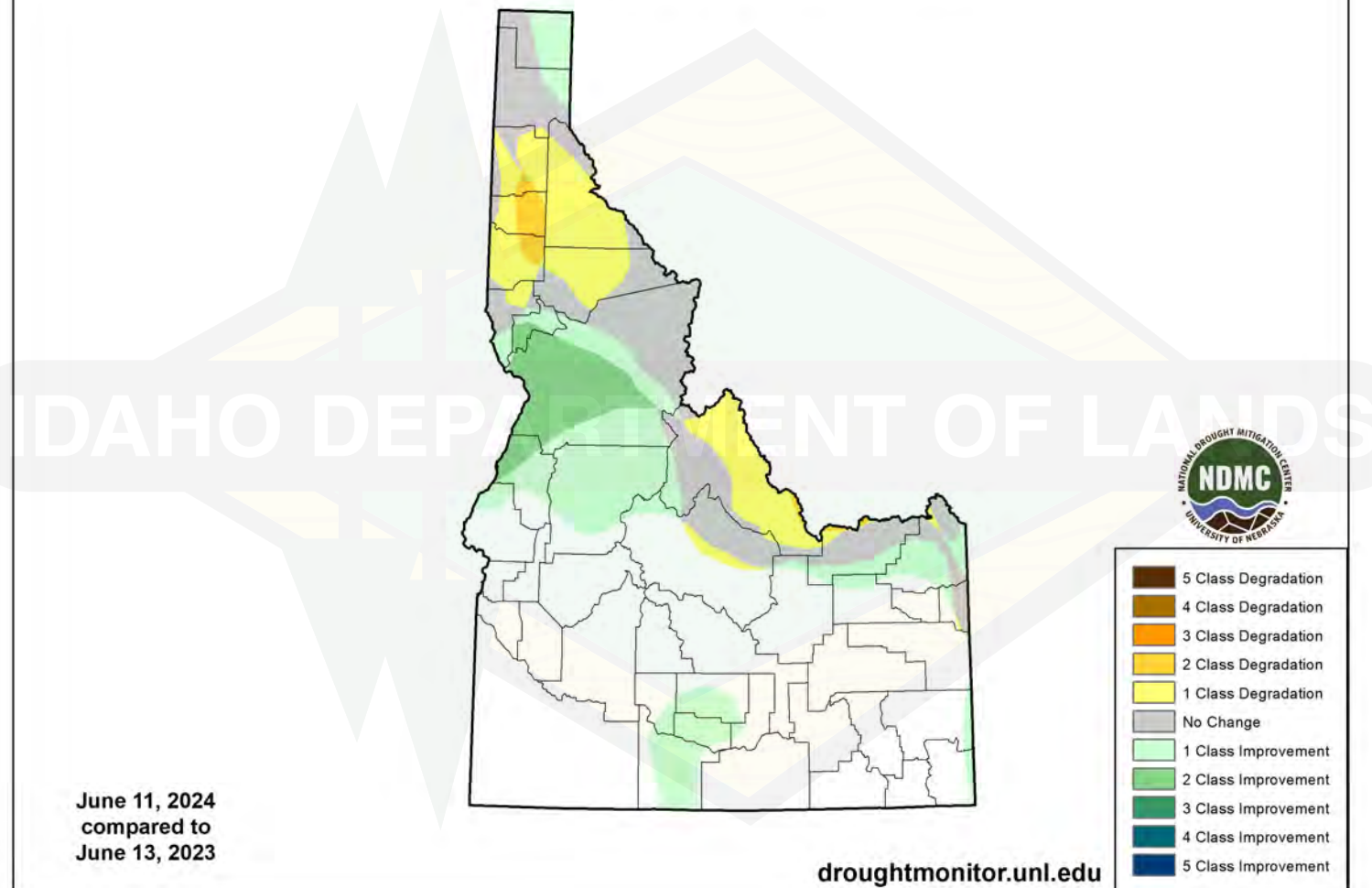
Richard Tinker
CPC/NOAA/NWS/NCEP



droughtmonitor.unl.edu



U.S. Drought Monitor Class Change - Idaho 52 Week

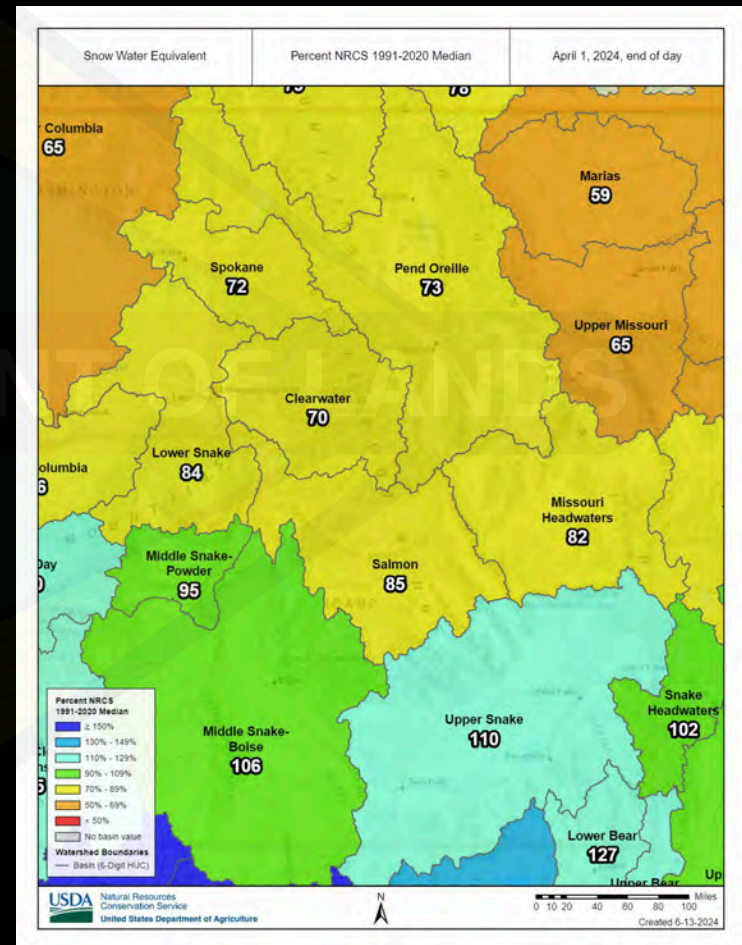


Fuel Loading in Idaho Rangelands

- Well above normal fine fuel loading (grasses) for southern Idaho
- Some grasses are rapidly curing, but perennials will need another few weeks
 - Lightning two weeks ago resulted in 100-300-acre fires in the Treasure Valley with a 5,000+ acre fire in southeast Oregon last week
- Fire potential/activity to increase in July – August due to the fuel loading and likely curing of these fuels, potentially lasting into September

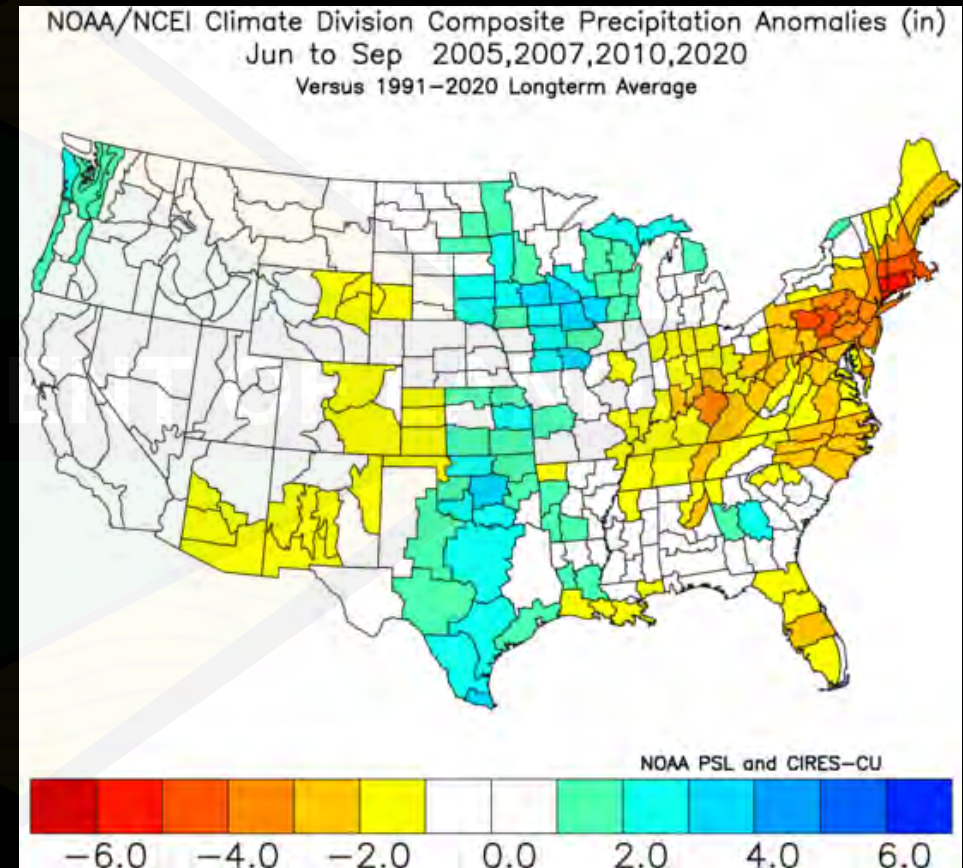
Low Snowpack in the northern Rockies

- Less than 75% of normal snowpack over the winter
- Snowpack is melting at a normal rate, but still less than the normal is for mid-June



El Niño is no more – La Niña is coming

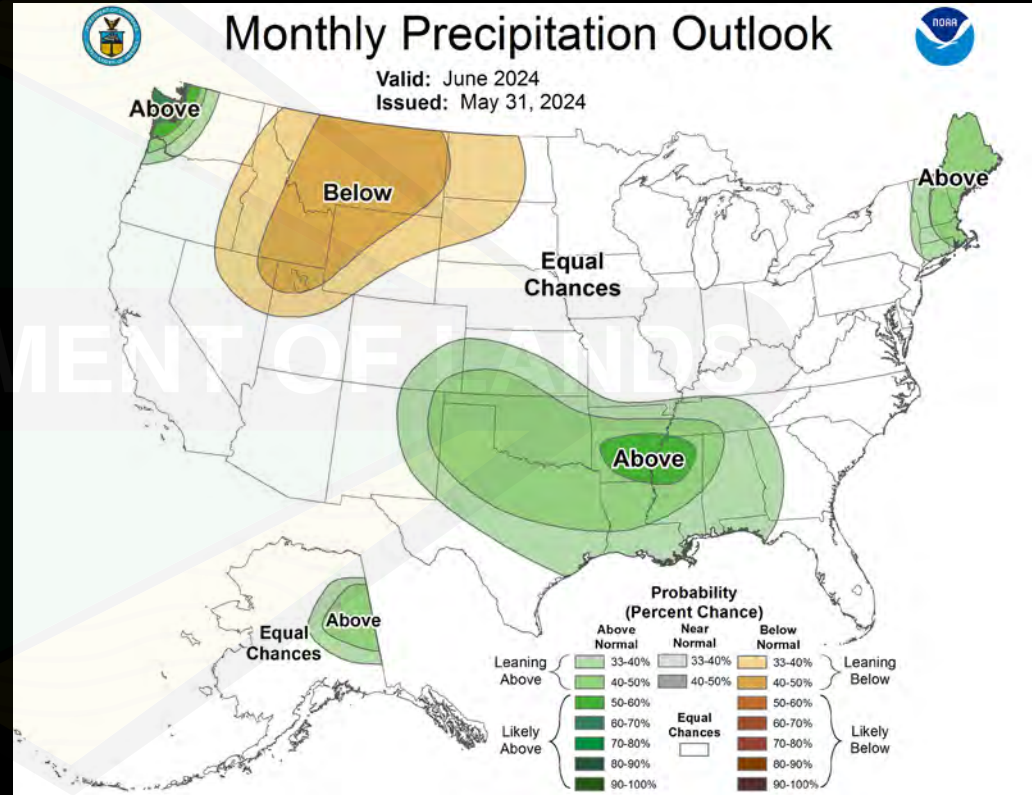
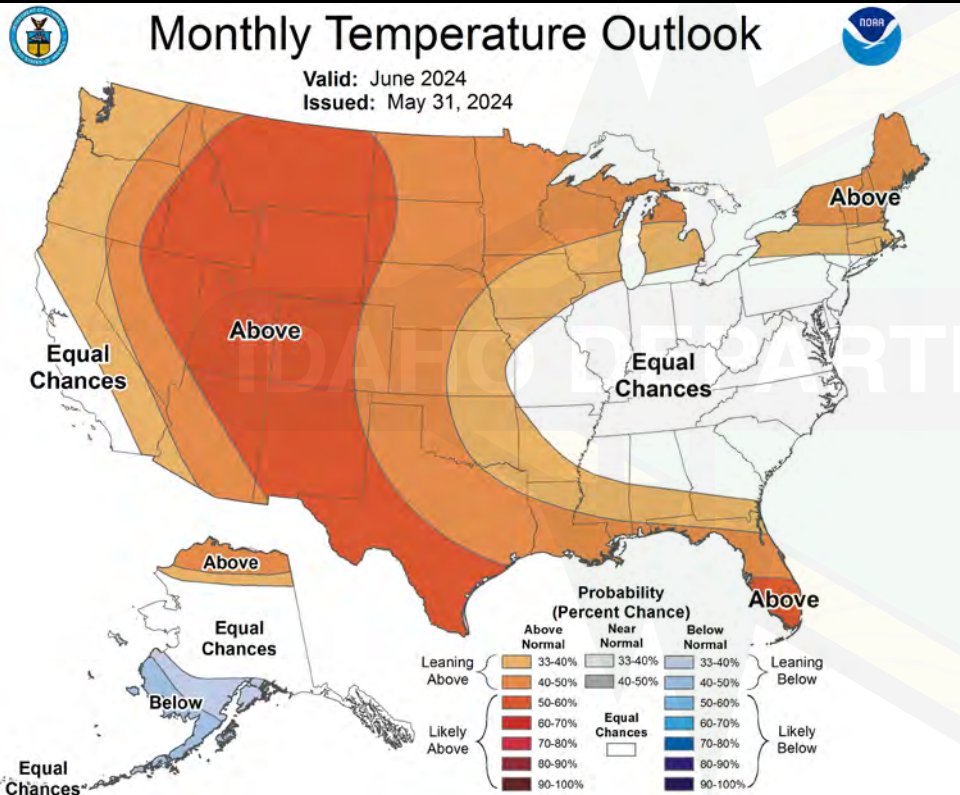
- El Niño has rapidly weakened with neutral conditions in the equatorial Pacific
- A rapid transition to La Niña is forecast by late summer, a 65% chance
- 85% chance of La Niña late this fall into winter



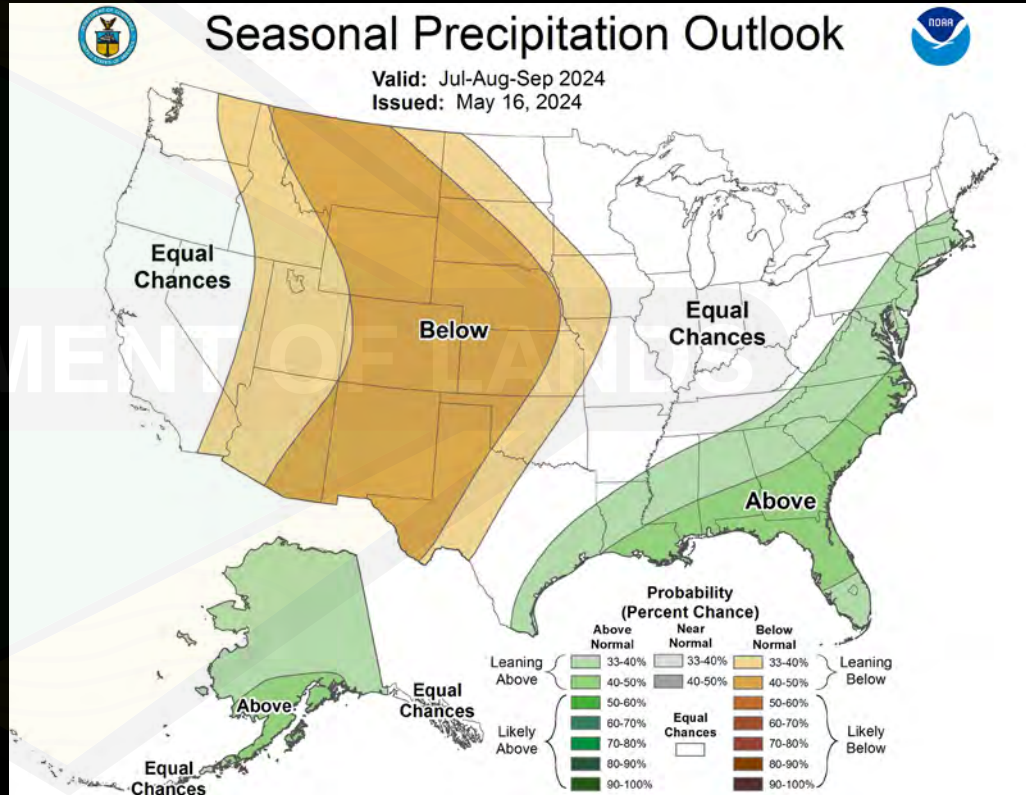
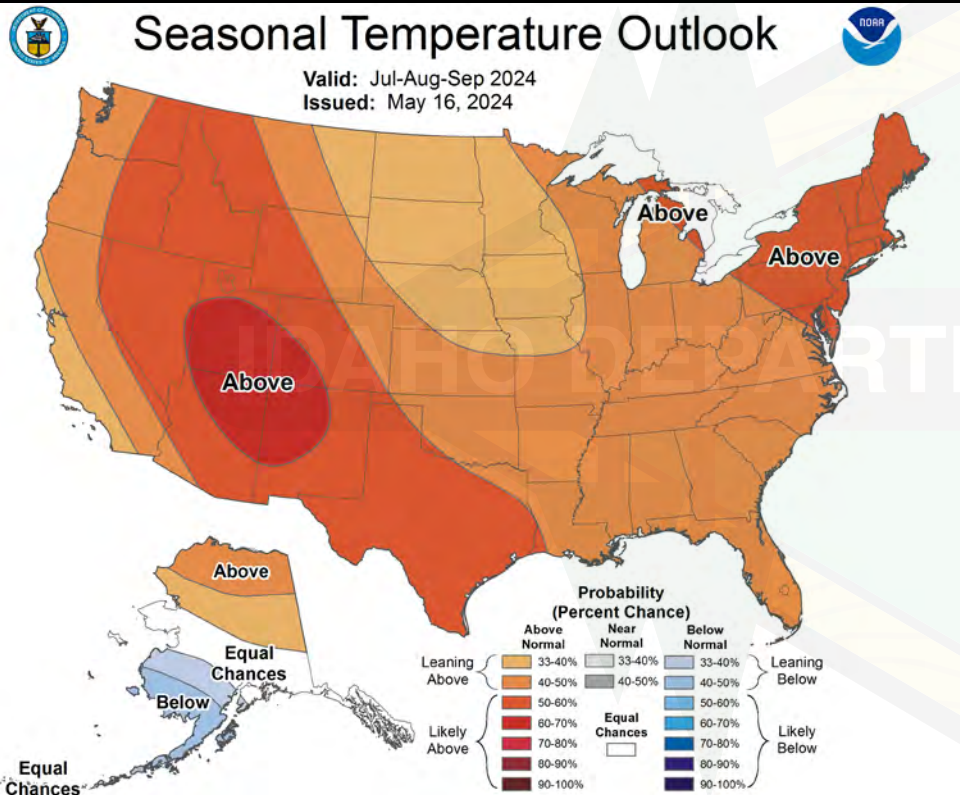
Monthly/Seasonal Outlooks: How the sausage is made

- Current conditions
 - Snowpack & recent precipitation
 - Drought & soil moisture
 - Fuel loading, phenology (cured, greening, leaf on/off, etc), & moisture content
- Weather and Climate Outlooks
 - Work with Climate Prediction Center and in-house expertise
 - Global circulations (e.g., ENSO)
- Fire season timing/climatology
- Blend together to anticipate above/below normal significant fire potential

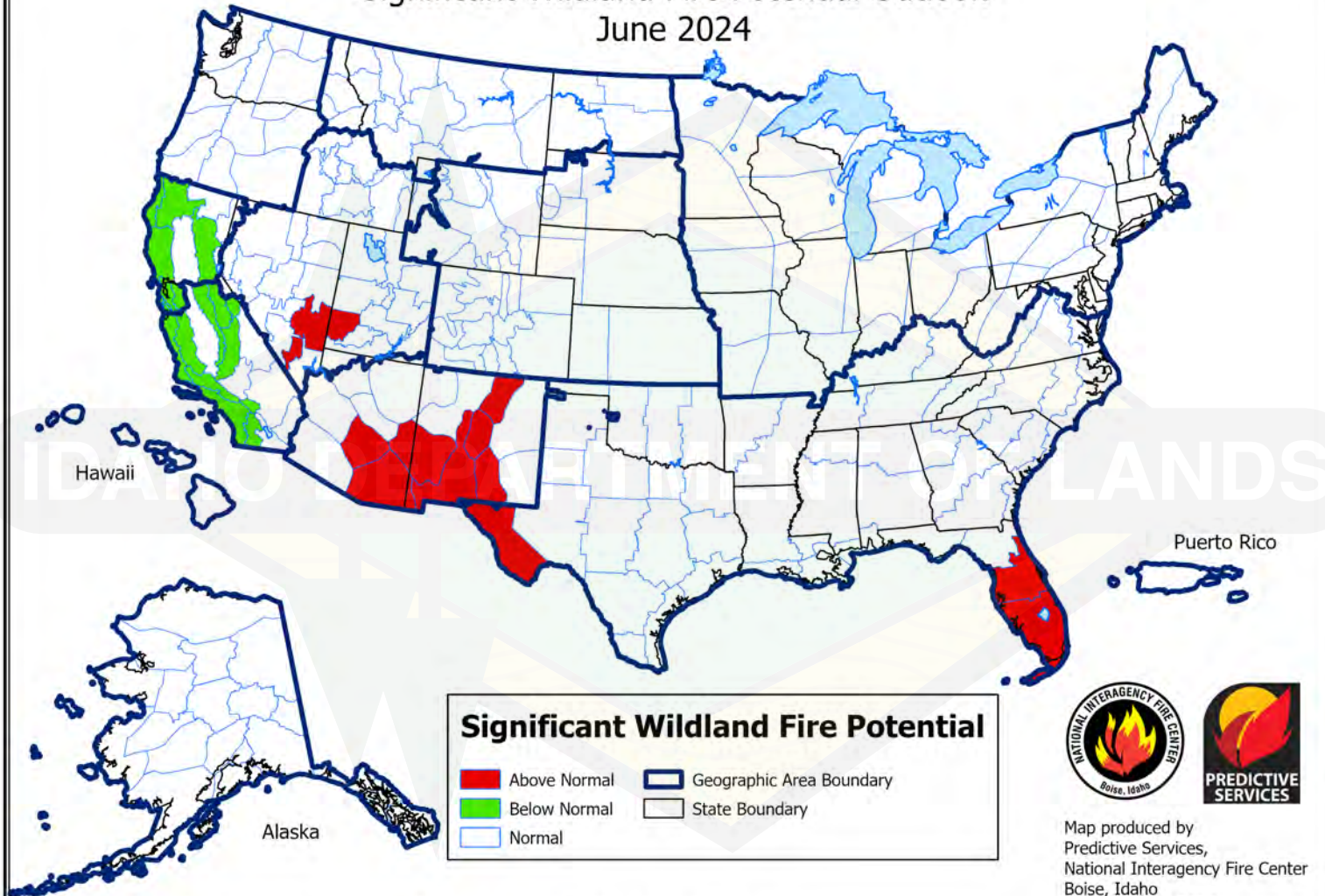
Climate Prediction Center (CPC) June Outlook



CPC July – September Outlook



Significant Wildland Fire Potential Outlook June 2024

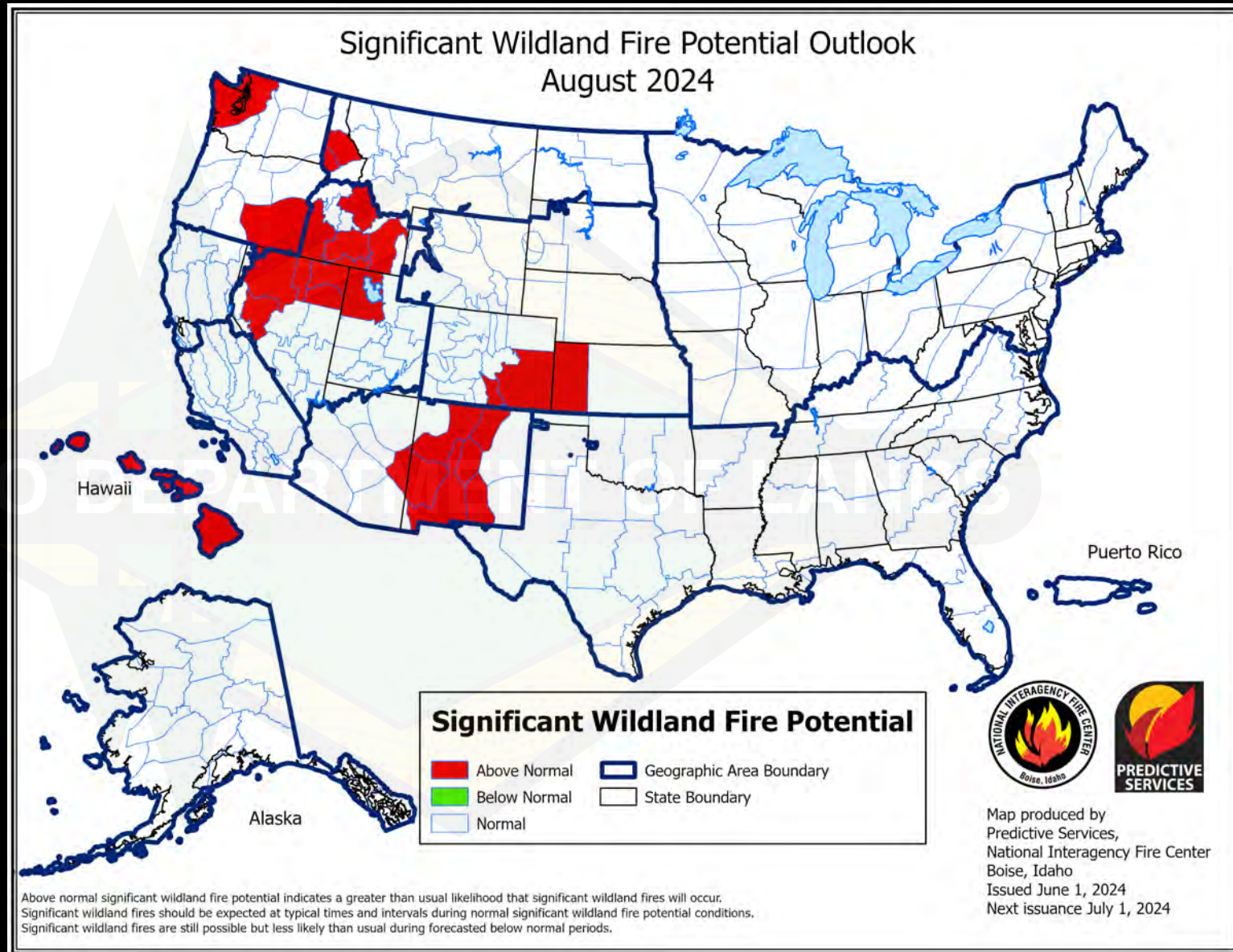


Above normal significant wildland fire potential indicates a greater than usual likelihood that significant wildland fires will occur. Significant wildland fires should be expected at typical times and intervals during normal significant wildland fire potential conditions. Significant wildland fires are still possible but less likely than usual during forecasted below normal periods.

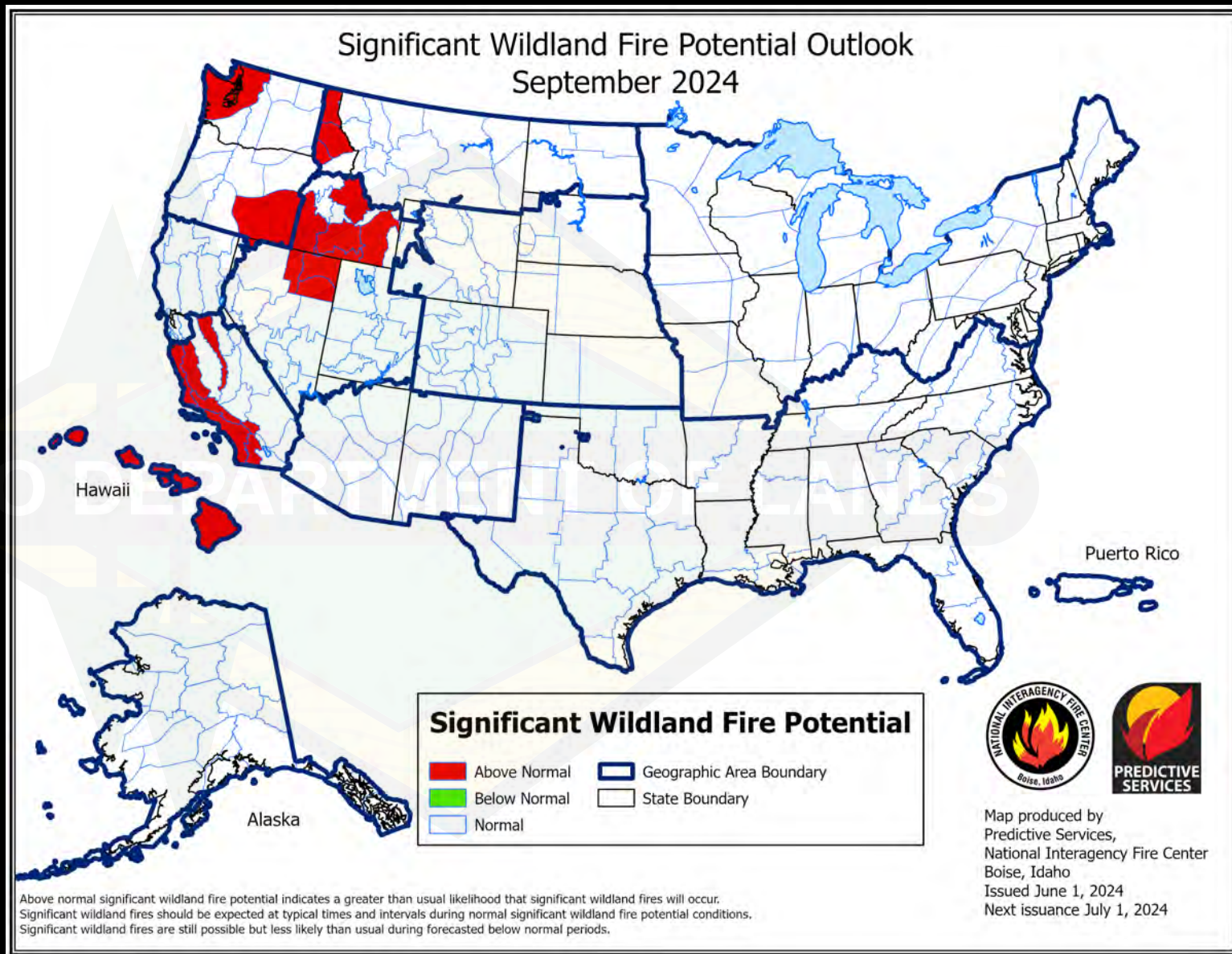
June



July



August



Summary

- Rangelands in southwest Idaho forecast to have above normal significant fire potential July – September
 - Well above normal grass fuel loading is the main reason
- North Idaho and east-central Idaho forecast to have above normal potential August – September
 - Below normal winter snowpack with a hot/dry summer forecast
- Even near normal fire potential means large fires can/will happen

All IDL aviation resources are available statewide to aid in wildland fire suppression. Though based as indicated in the information below they will be moved as dictated by fire activity.

- One **Type 1 helicopter** with Helicopter Managers. Capable of delivering 1,000 gals of water via detachable fixed tank or 900 gals of water via bucket, per drop. This resource is anticipated to begin in Coeur d'Alene, and move to Grangeville for the majority of the season.
 - VENDOR: HeliQwest, Broomfield, CO

Coeur d'Alene:

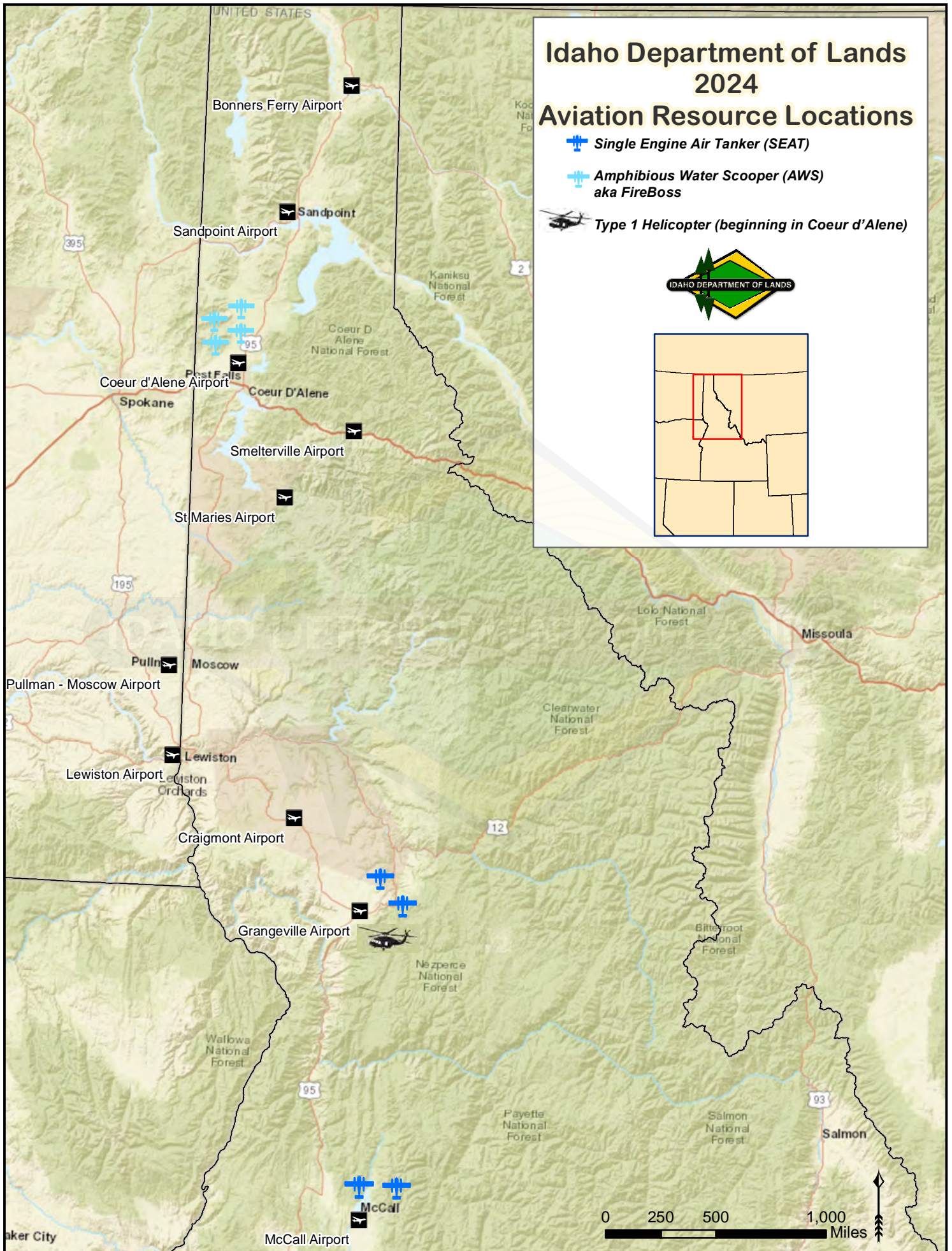
- Four **AWS (Amphibious Water Scooper)**, also known as a **FireBoss**. Capable of delivering 800 gallons of retardant, BlazeTamer380, or water on the first drop. Subsequent drops of 800 gallons of water scooped from an adequate lake or river, or BlazeTamer380 following scoop from lake or river. FireBosses are capable of mixing BlazeTamer gel while en route to a fire after scooping from a water source. Returns to Air Tanker Base to refuel and can then again deliver retardant on first load when requested. Note: two of the four FireBosses will have on-board mixing capabilities needed for BlazeTamer380 and two will not.
 - VENDOR: Dauntless Air, Appleton, MN

Grangeville:

- Two **SEATs (Single Engine Air Tanker)**. Air Tractor 802 capable of delivering 800 gallons of water or retardant per drop. Returns to Air Tanker Base after each drop for refilling with retardant and, if necessary, fuel.
 - VENDOR: Aero Tech, Inc., Clovis, NM

McCall:

- Two **SEATs (Single Engine Air Tanker)**. Air Tractor 802 capable of delivering 800 gallons of water or retardant per drop. Returns to Air Tanker Base after each drop for refilling with retardant and, if necessary, fuel.
 - VENDOR: Aero Tech, Inc., Clovis, NM





Idaho Department of Lands 2024 Resource Locations

KEY


State totals in parentheses

 Engine (31)


 Engine Crew
Total persons (108)

 Northern Suppression Module
6 person (1)


 Teakean Hand Crew
20 person (1)

 Engine Foremen
Total persons (13)


 Contract Engines (5)


 Southern Suppression Module
5 person (1)

Legend

 East Idaho FPD

 Bureau of Land Management

 Other Federal

 Indian Reservation

 National Parks Service

 Private

 State

 United States Forest Service



Kootenai Valley

Priest Lake

Pend Oreille

CdA Airport

Mica

Cataldo

West St. Joe

Ponderosa

CPTPA

Craig Mountain

Maggie Creek

Grangeville Airport

CPTPA Has
Additional Resources

SITPA Has
Additional Resources

McCall Airport

SITPA

Southwest

Boise

East Idaho Forest
Protective District
Under Development

Idaho Falls

Jerome

Weiser River RFP

Black Canyon RFP

Owyhee RFP

Saylor Creek RFP

Three Creek RFP

Shoshone Basin RFP

Notch Butte RFP

Mountain Home RFP

Camas Creek RFP

Henry's Creek RFP

Henry's Creek RFP

0 30 60 120 Miles

IDAHO RANGELAND FIRE PROTECTION ASSOCIATIONS 2024

As of 2024, over 700 volunteer wildland firefighters have been trained by agency fire managers. These volunteers provide an important resource not only for their own land and assets, but also assist wildland fire managers protecting public lands.

The ten RFPAs combined protect 1.9 million acres of private rangeland that was previously unprotected, as well as providing secondary protection on 7.4 million acres of federal and state land.

Discussions have begun with interested parties in the Fort Hall area for a new RFPA, the expectation would be for a start date in 2025 or 2026.

2023 FIRE SEASON REVIEW

2023 was a relatively quiet fire season, with less than half of the previous year's activity.

2024 FIRE SEASON PREPAREDNESS

Over 300 RFPA members attended in-person Fireline Refresher Training and 21 new members attended Basic Wildland Fire classes.

With assistance from the Governor's Office of Species Conservation, Henry's Creek purchased a Type 4 engine from IDL, and Owyhee RFPA purchased a Type 4 engine from a neighboring fire department. IDL was able to provide Saylor Creek RFPA with a Type 6 engine through the Federal Excess Personal Property program. This equipment will allow these RFPAs to provide more strategic coverage in their protection areas.

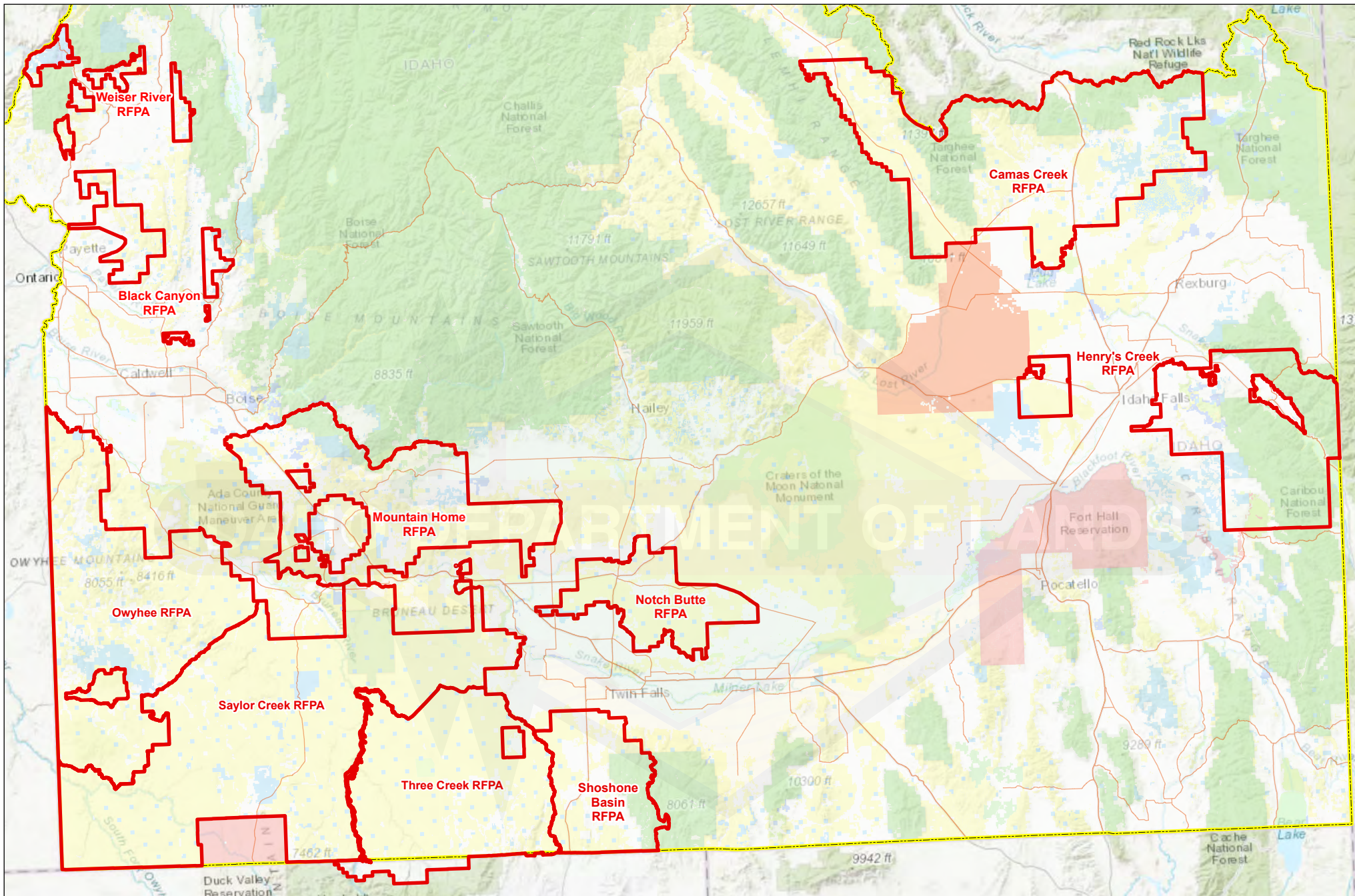
IDAHO RFPAS AT A GLANCE

RFPA	Established	Members ¹	Acres	Private	Federal ²	State ³	'23 Fires
Black Canyon	2013	19	185,384	108,555	61,111	15,719	0
Camas Creek	2016	28	1,494,608	363,005	1,019,277	112,327	1
Henry's Creek	2017	15	914,696	286,775	571,374	56,547	2
Mountain Home	2012	40	964,131	300,091	564,138	98,174	8
Notch Butte	2016	16	341,170	74,535	247,745	18,890	1
Owyhee	2013	32	1,370,873	254,175	972,268	144,430	5
Saylor Creek	2013	54	2,222,204	131,128	1,964,913	126,162	1
Shoshone Basin	2015	19	488,054	174,940	302,144	10,969	4
Three Creek	2013	62	1,120,203	114,599	951,243	54,362	2
Weiser River	2021	29	135,212	60,246	38,252	27,208	3
TOTALS		314	9,381,444	1,868,049	6,692,465	664,788	27

¹ Received Red Card for the 2024 fire season as of 5/31/2024. The Red Card identifies that annual training is current.

² Federal includes Military, NPS, BOR, BIA, DOE, BLM and USFS ownership.

³ State includes Endowment, State F&G, State Parks, and State other.



Legend

- Highways
- Existing RFPA
- Bureau of Land Management
- DOE-INL
- Tribal
- Private
- State Endowment
- Other State Land
- US Forest Service
- Other Federal Ownership
- Idaho Boundary

Vicinity Map

Rangeland Fire Protection Associations

5/24/2024

0 10 20 40 60 Miles

Map Notes and Data Sources
Ownership current as of map date

Disclaimer:
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.

AGENDA ITEM 12 PERSONNEL MATTER

NO BOARD MATERIALS
ARE PROVIDED FOR THIS ITEM

IDAHO DEPARTMENT OF LANDS