

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: July 16, 2024

Regular Meetings

6/27/2024	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
6/27/2024	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
6/27/2024	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
6/27/2024	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
6/27/2024	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
7/10/2024	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
7/10/2024	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting.
7/10/2024	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
7/10/2024	Agenda posted electronically on IDL's public website https://www.idl.idaho.gov forty-eight (48) hours before meeting.
7/10/2024	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.


Recording Secretary

July 10, 2024

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 JULY 2024

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, July 16, 2024 in the **State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

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_F7DXKV2XS-288kp3Qg360w

First Notice Posted: 6/27/2024-IDL Boise; 6/27/2024-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, 208.334.0200



Idaho State Board of Land Commissioners

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State Board of Land Commissioners Regular Meeting

July 16, 2024 – 9:00 AM (MT)

Final Agenda

Capitol, Lincoln Auditorium (WW02), Lower Level, West 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.

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_F7DXKV2XS-288kp3Qg360w

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

Trust Land Revenue

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

Status Updates

- C. Fire Season Report
- D. Land Bank Aging Report

2. **Endowment Fund Investment Board** – Presented by Chris Halvorson, EFIB Investment Officer

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

Consent—Action Item(s)

3. **Approval of Draft Minutes** – June 18, 2024 Regular Meeting (Boise)

Regular—Action Item(s)

None

State Board of Land Commissioners

Final Agenda

Regular Meeting – July 16, 2024

Page 1 of 2

Information

- 4. Forest Asset Management Plan and Timber Program Update** – *Presented by Jim Elbin, Division Administrator-Trust Lands*

Executive Session

A. Heyburn State Park

Idaho Code § 74-206(1)(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.



IDAHO DEPARTMENT OF LANDS



Idaho Statutes

Idaho Statutes are updated to the website 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

July 16, 2024
Trust Land Revenue

Timber Sales

During June 2024, the Department of Lands sold five endowment timber sales at auction. Three sales had competitive bidding. The net sale value represents a 28% up bid over the appraised value. Five endowment timber sales did not sell at auction. West Latour and Twin Chilco OSR did not sell at auction in June and have been reappraised to be auctioned in July.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Stanton Something Cedar	SJ	10,735			\$ 1,205,878.00	\$1,205,878.00	\$112.33	IFG Timber LLC
First Place Cedar	SJ	4,375			\$ 734,046.50	\$1,338,945.75	\$306.04	Stella-Jones Corp
Upper Shirts	SWI	7,920			\$ 773,864.50	\$ 773,864.50	\$97.71	Tamarack Mill LLC
Warm Mosquito Ton	PAY	4,375			\$ 542,795.94	\$ 751,339.60	\$171.73	Woodgrain Inc
Corral Creek Ton	EI	8,955			\$ 294,023.28	\$ 480,287.28	\$53.63	Sun Mountain
Endowment		36,360	0	0	\$ 3,550,608.22	\$4,550,315.13	\$125.15	

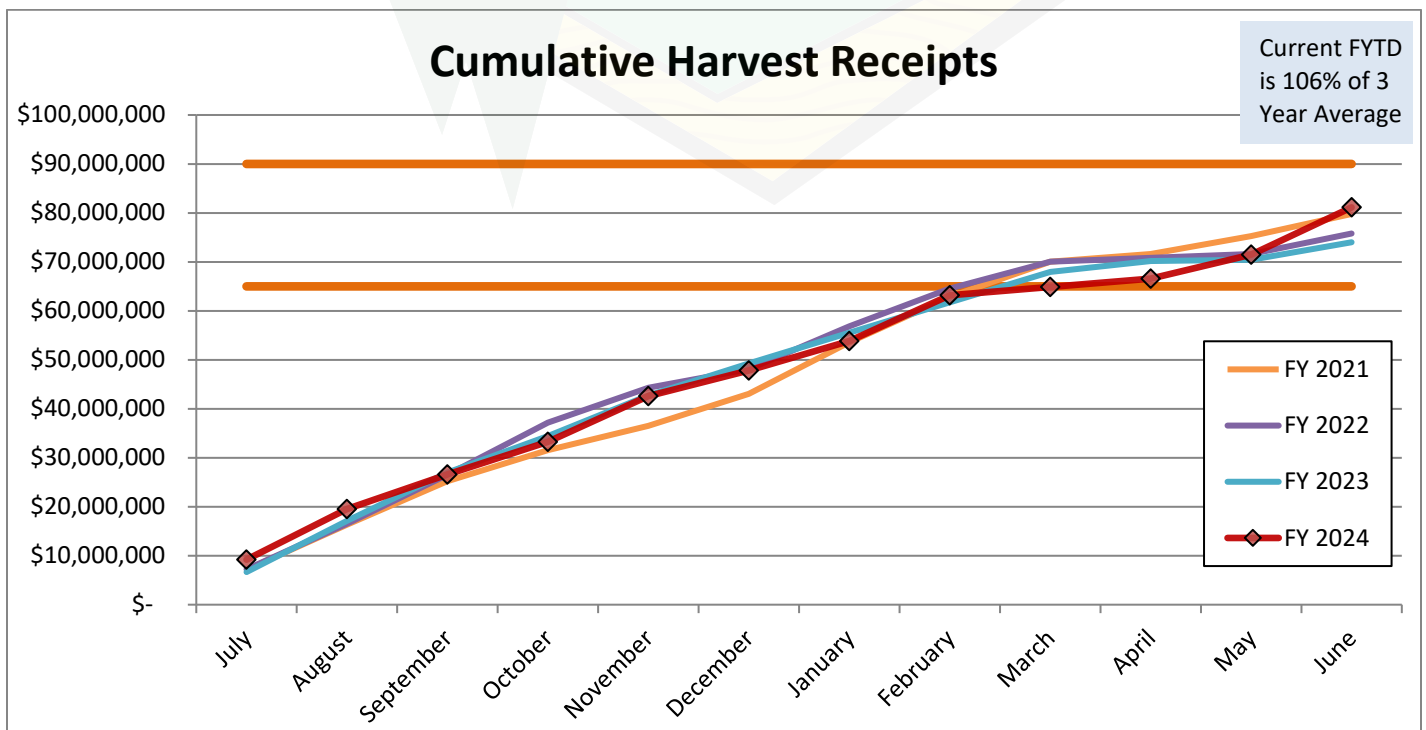
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Peakabou Pulp	5,435	\$ 461,753.00	PL	7/11/2024
Mid Olson	8,325	\$ 1,800,806.50	SJ	7/16/2024
Ridge Runner	1,595	\$ 447,804.50	POL	7/23/2024
The Last Sand Cedar	1,565	\$ 509,198.00	POL	7/23/2024
Beauty Cedar GNA	9,515	\$ 1,753,115.00	IPNF	7/11/2024
Cocolalla Squeeze Cedar	1,945	\$ 768,793.50	POL	7/23/2024
Trumbull	8,445	\$ 1,442,599.50	POND	7/24/2024
Burnt Rose	4,005	\$ 823,025.00	POND	7/24/2024
Twin Chilco OSR	2,870	\$ 504,261.50	MICA	7/29/2024
West Latour	6,190	\$ 1,430,696.00	MICA	7/29/2024
Totals	49,890	\$ 9,942,052.50		
South Operations				
Sill Creek Entirety Cedar	3,775	\$ 930,043.50	MC	7/9/2024
Fan Bit GNA Salvage	430	\$ 29,032.48	NCNF	7/17/2024
French Flats GNA Ton	3,205	\$ 198,352.20	BNF	7/18/2024
Totals	7,410	\$ 1,157,428.18		

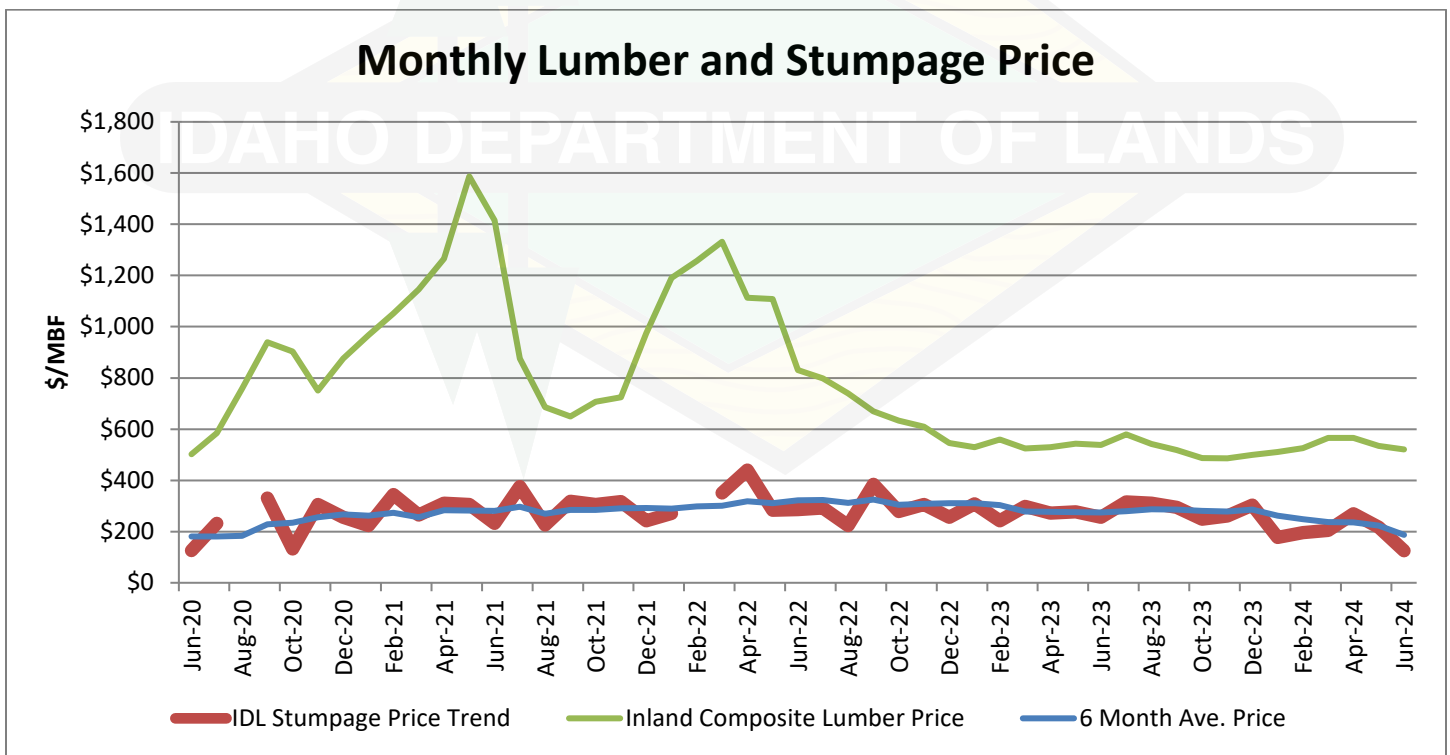
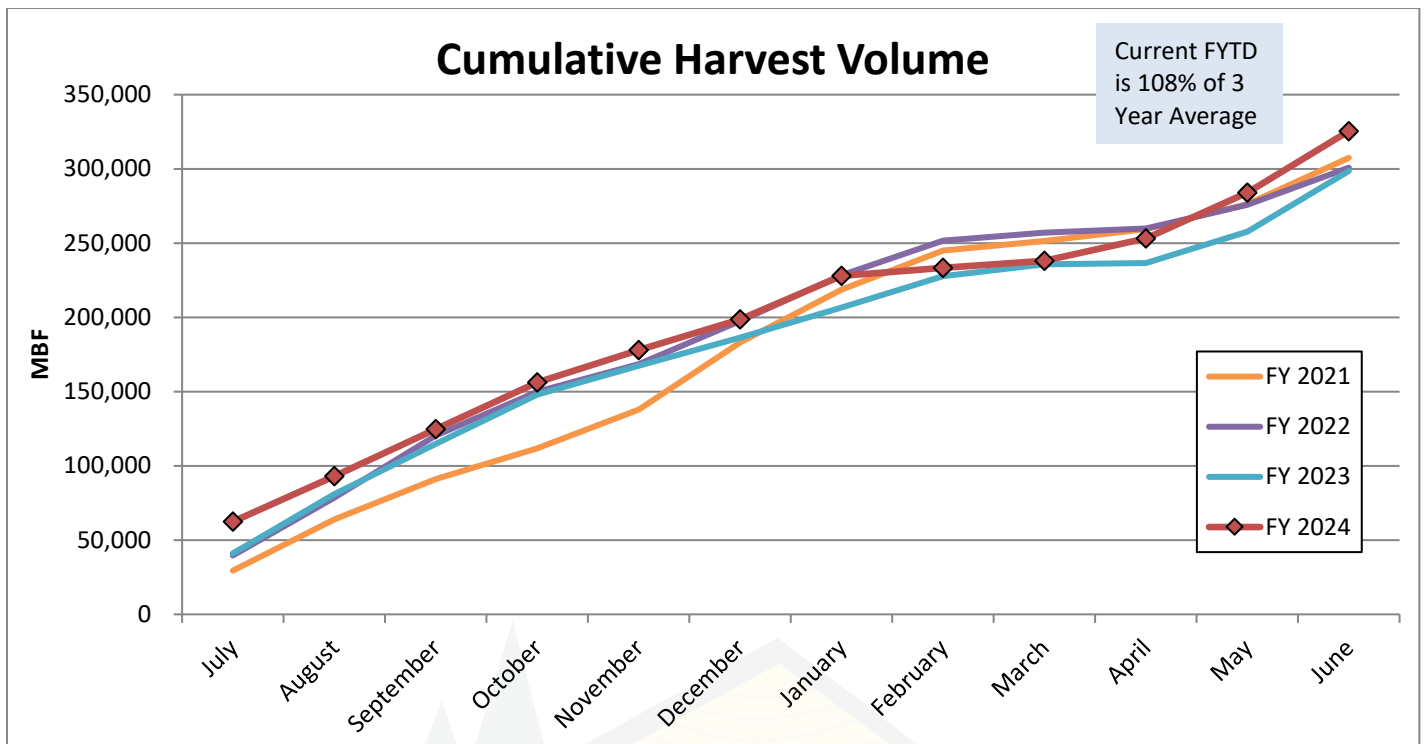
VOLUME UNDER CONTRACT as of June 30, 2024				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			163	177
Total Residual MBF Equivalent	387,592	153,660	541,252	568,901
Estimated residual value	\$108,139,298	\$58,844,395	\$166,983,693	\$155,947,398
Residual Value (\$/MBF)	\$279.00	\$382.95	\$308.51	\$274.12

	TIMBER HARVEST RECEIPTS				
	June		FY to date	July Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 5,213,433.06	\$ 374,788.27	\$ 51,220,358.57	\$ 5,547,261.77	\$ 525,811.86
Pooled	\$ 3,692,374.99	\$ 387,967.49	\$ 29,908,894.75	\$ 4,825,370.95	\$ 711,754.74
General Fund	\$ 48.78	\$ 1.91	\$ 73.06	\$ 86.09	\$ 3.85
Totals	\$ 8,905,856.83	\$ 762,757.67	\$ 81,129,326.38	\$ 10,372,718.81	\$ 1,237,570.45

	STATUS OF FY2024 TIMBER SALE PROGRAM					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of June 30, 2024	188,069	78,651	266,720	18,955	6,096	25,051
Currently Advertised	20,943	14,677	35,620	2,200	1,435	3,635
In Review	12,138	3,262	15,400	0	0	0
Did Not Sell*	20,075	0	20,075	0	0	0
TOTALS	241,225	96,590	337,815	21,155	7,531	28,686
FY2024 Sales Plan			328,000			20,000
Percent to Date			103%			143%

* After three attempts at auction.

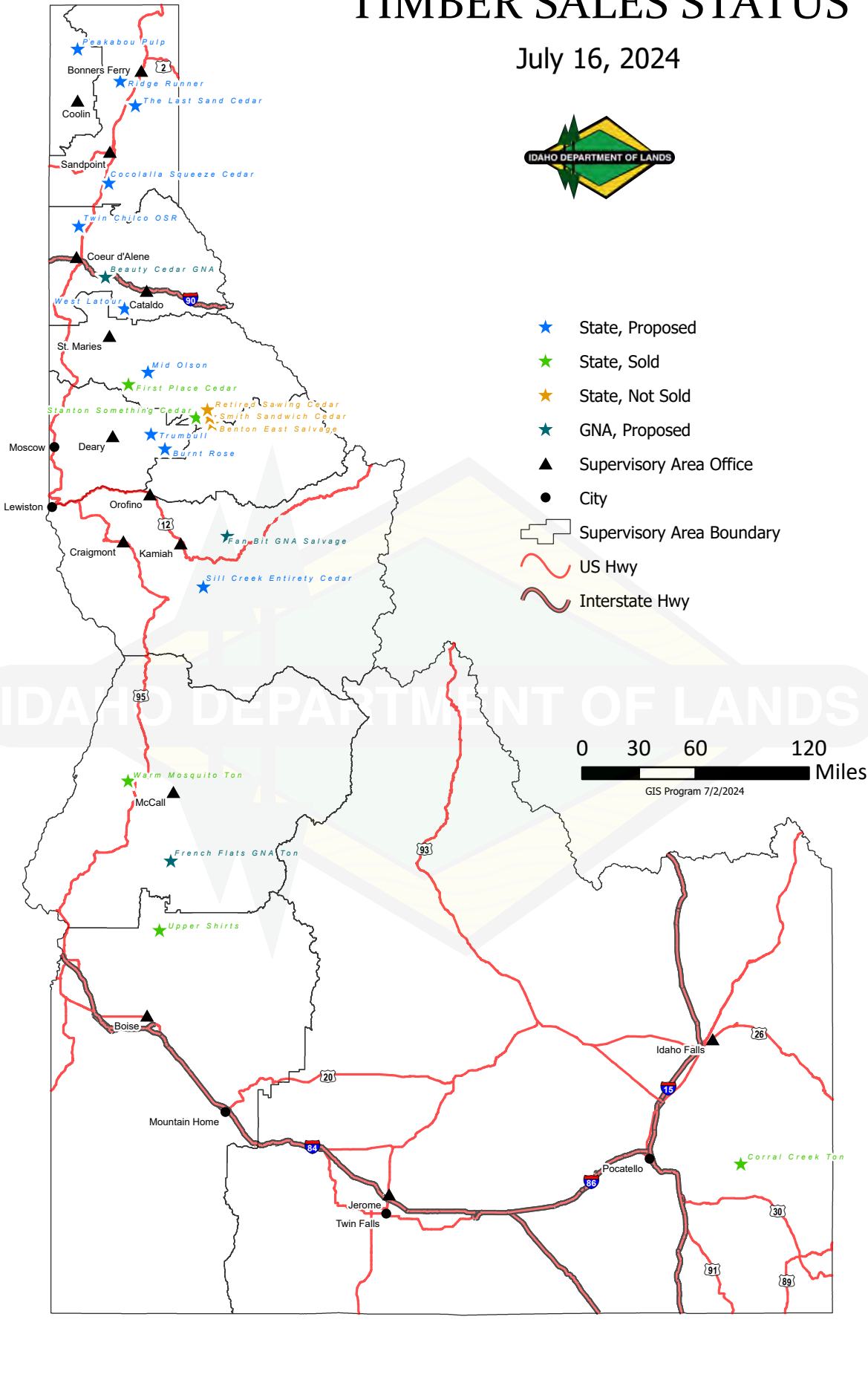




June 2024 6-month average price is \$187.07.
 June 2023 6-month average price was \$274.31.

TIMBER SALES STATUS

July 16, 2024



STATE BOARD OF LAND COMMISSIONERS

July 16, 2024
Endowment Transactions

Leases and Permits

FISCAL YEAR 2024 – LEASING & PERMITTING TRANSACTIONS BY MONTH through June 30, 2024													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY24
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	-	-	-	1	8
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	-	-	1	11
<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	2	184

Real Estate

FISCAL YEAR 2024 – REAL ESTATE TRANSACTIONS BY MONTH – through June 30, 2024													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY24
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 :													

TRUST LAND MANAGEMENT DIVISION
FY2024 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through June 30, 2024

	REVENUE YTD AS OF 06.30.2024	REVENUE EXPECTED BY 06.30.2024*	REVENUE EXPECTED BY 06.30.2024
SURFACE			
AGRICULTURE	\$ 660,520	\$ 592,000	\$ 592,000
COMMUNICATION SITES	\$ 1,576,728	\$ 1,190,000	\$ 1,190,000
GRAZING	\$ 1,806,712	\$ 1,680,200	\$ 1,680,200
RESIDENTIAL LEASES	\$ 1,235,221	\$ 1,017,395	\$ 1,017,395
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 56,843	\$ 95,840	\$ 95,840
COMMERCIAL INDUSTRIAL	\$ 194,730	\$ 142,000	\$ 142,000
COMMERCIAL MILITARY FACILITIES	\$ 306,401	\$ 151,000	\$ 151,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 809,070	\$ 991,600	\$ 991,600
COMMERCIAL RECREATION	\$ 1,319,925	\$ 1,014,000	\$ 1,014,000
OTHER			
CONSERVATION LEASES	\$ 71,452	\$ 73,000	\$ 73,000
GEOTHERMAL	\$ 2,257	\$ 5,012	\$ 5,012
MINERAL LEASES	\$ 888,270	\$ 113,000	\$ 113,000
OIL AND GAS LEASES	\$ 10,739	\$ 3,926	\$ 3,926
Sub Total	\$ 8,938,865	\$ 7,068,973	\$ 7,068,973
REAL ESTATE SERVICES (ER)	\$ -		
Grand Total - Earnings Reserve	\$ 8,938,865		

PERMANENT FUND REVENUE

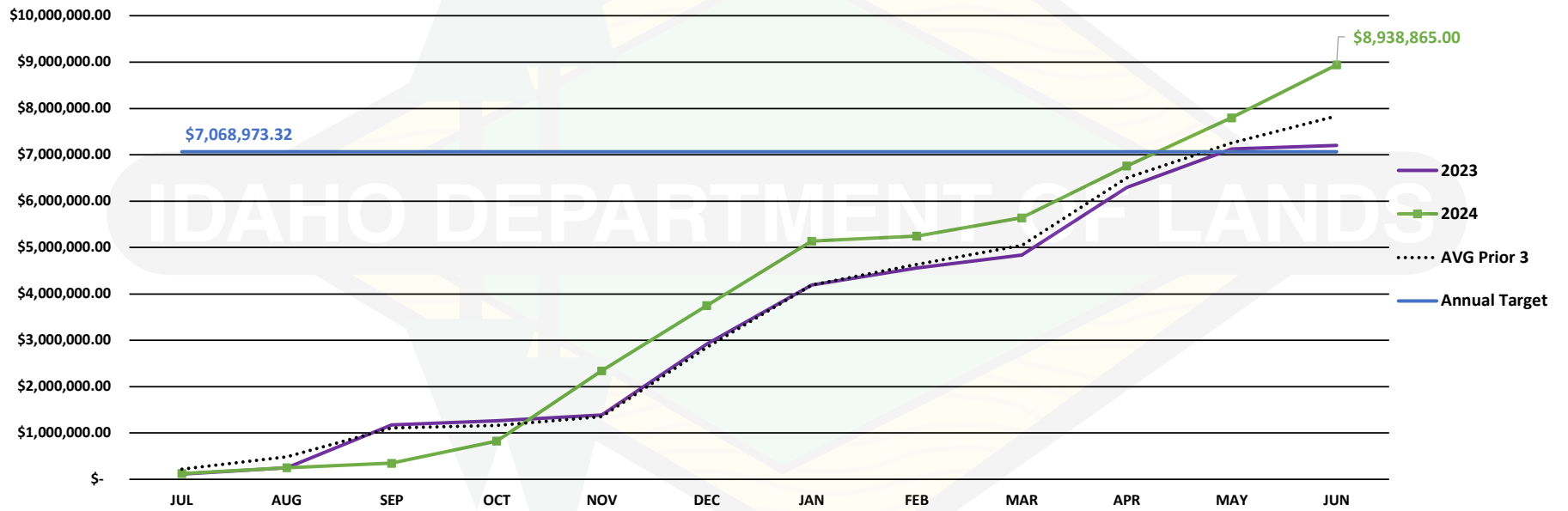
MINERALS (PF) \$ 2,451,240 ***

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

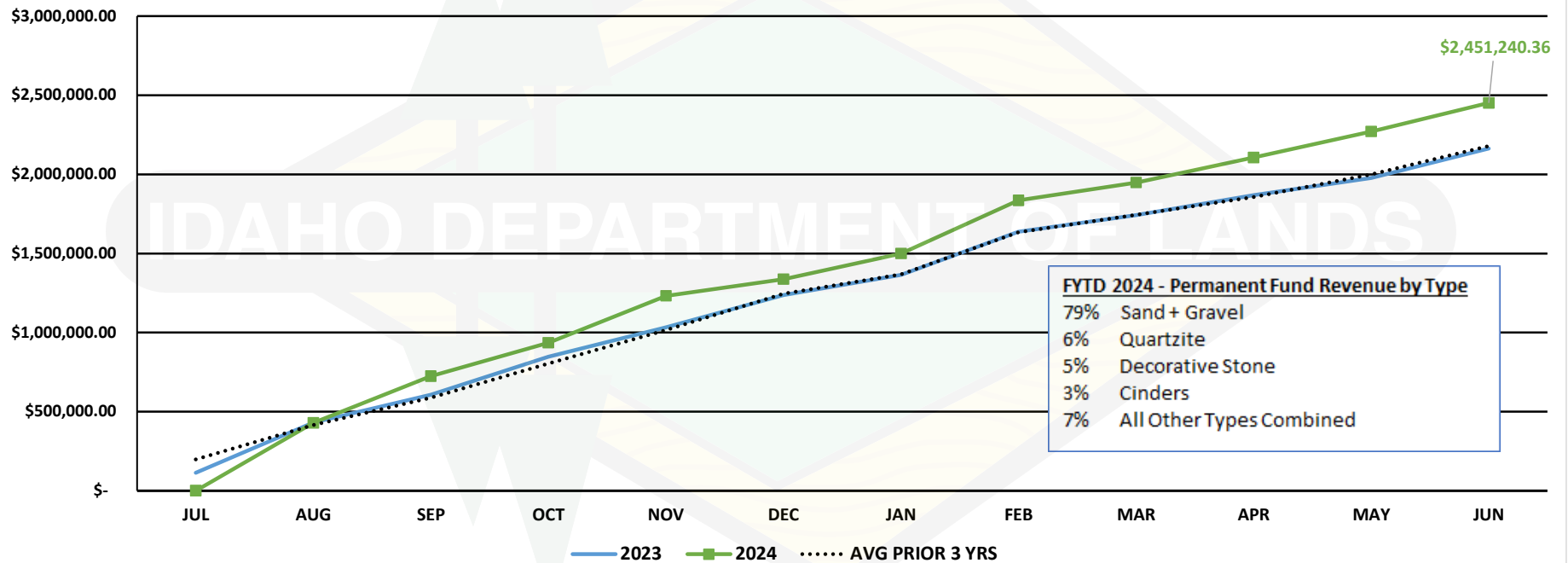
** This category is not included in the annual forecast.

***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



STATE BOARD OF LAND COMMISSIONERS

July 16, 2024
Department Report

Subject

Fire Season Update

Background

As of July 8, Emergency Fire Suppression expenditures are estimated to be \$14,027,500. The Suppression Account will recover an estimated \$655,000 of reimbursable costs, for a net obligation of \$13,372,500. The total obligation includes the 2024 contracted aircraft costs and prepositioned contract engines to assist with a lack of qualified engine bosses. These engines will be assigned across the state to boost initial attack resources.

Discussion

On July 3, the Billy Creek incident started 20 miles south of Lewiston and is being managed with a Complex Incident Management Team. The fire is currently 3,185 acres and 100% contained.

Fire Season Comparison to Date

Number and Size of Fires (Year to Date)				
Year	Human	Lightning	Total	Acres
2020	44	11	55	280
2021	137	53	190	61,996
2022	26	10	36	42
2023*	91	26	117	503
2024*	99	17	116	3,385
20 Yr. Average (2002-2022)			63	700

*2024 fires are calculated using the protection boundaries of the new Idaho Master Agreement which has increased the area in which IDL is the protecting agency. Therefore, there is an inconsistency between 2023/2024 numbers and 20-year averages.

June and early July have seen temperatures well above average and below average precipitation. This has been more pronounced in southern Idaho as seen with increased fire activity in that area. The remainder of July is forecasted to have above average temperatures and below average precipitation with the most severe deviations being in southern Idaho. The Significant Wildland Fire Potential Outlook for July shows above normal fire potential for southern Idaho. This above normal fire potential is present in southern Idaho and extends into portions of northern Idaho in August and September.

No restrictions are currently in place. The Sawtooth National Forest will go into Stage 1 Restrictions on Wednesday morning, July 17th, and the Central Idaho Restriction Zone will go into Stage 1 Restrictions on Friday morning, July 19th.

Significant Fires Outside of IDL Protection

There are no significant fires in Idaho outside of IDL protection.

Total Acres Burned by Ownership 7/15/2024	
Surface Owner	Acres
Bureau of Land Management	14,196
U.S. Forest Service	462
Other Federal	381
Tribal	1
Private	1,016
State Endowment	848
Other State	2,681
Total Acres	19,585

Only fires with perimeters in the Fire Enterprise Geospatial Portal have been included in the analysis.

Fire Deficiency Warrant Spending - 2024 Fire Season YTD		
Category	Estimated Costs	Notes
Aviation Resources	\$3,500,000	4 SEATS, 4 Single Engine Water Scooper (Fire Boss), 1 Type 1 UH-60 Blackhawk
Prepositioned Engines	\$787,500	5 Type 6 Exclusive Use Contract Engines
IDL Non-Team Fires	\$965,000	IDL/Assn fires including pre-positioning. Based on Estimates and actuals.
IDL Team Fires	\$3,800,000	Billy Creek (CMS)
Other Suppression Non-reimbursable	\$4,320,000	Coeur d'Alene Cache, Dispatch- Estimate includes expenditures from 1/1/2024-7/1/2024
Other Suppression Reimbursable	\$655,000	Reimbursable (IDL and Fire Department resources supporting non-IDL fires). Based on LUMA Actuals- Estimates not used.
Total Estimate YTD	\$14,027,500	Does not include Cost Share Fires which will be reported in October.

Attachments

1. Map–Significant Fires

2024 Wildland Fires in Idaho

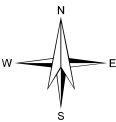
7/12/2024

Fire Perimeter Categories

- Current Month
- Last Month
- Two Months Ago
- Three Months and Older

Surface Management

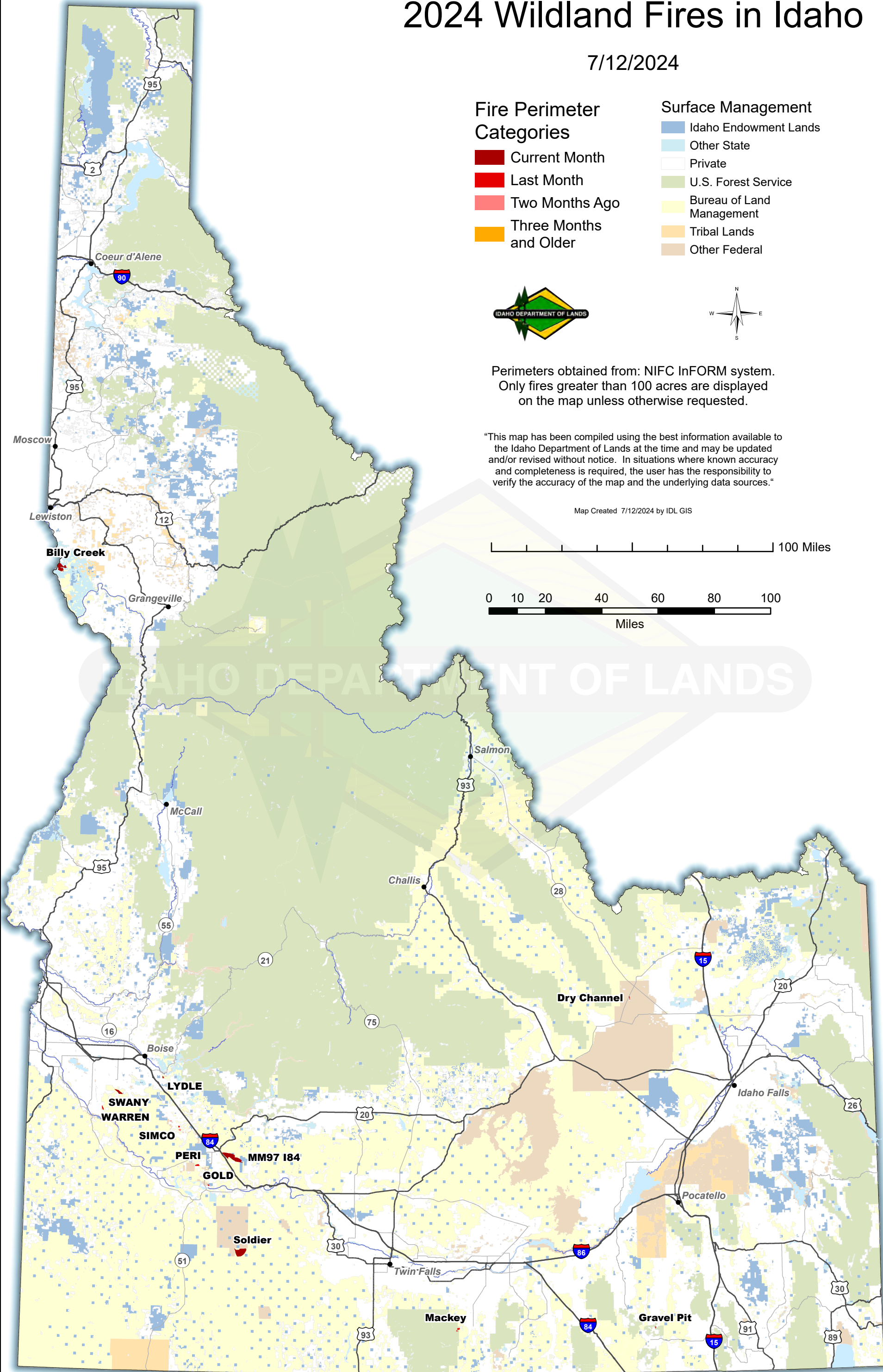
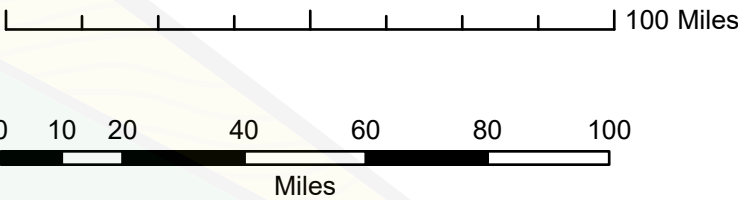
- Idaho Endowment Lands
- Other State
- Private
- U.S. Forest Service
- Bureau of Land Management
- Tribal Lands
- Other Federal



Perimeters obtained from: NIFC InFORM system.
Only fires greater than 100 acres are displayed on the map unless otherwise requested.

"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."

Map Created 7/12/2024 by IDL GIS



LAND BANK AGING REPORT							
Current Remaining Principal Balance By Quarter Received - As of June 30, 2024							
FY Quarter IN	Public School	Agriculture College	Normal Schools	State Hospital South	University of Idaho	All Endowments	FY Quarter EXPIRES
2021-01	\$ 1,639,575	\$ -	\$ -	\$ -	\$ -	\$ 1,639,575	2026-01
2021-02	\$ 6,595,000	\$ -	\$ -	\$ -	\$ -	\$ 6,595,000	2026-02
2021-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2026-03
2021-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2026-04
2022-01	\$ 1,500,720	\$ -	\$ -	\$ -	\$ -	\$ 1,500,720	2027-01
2022-02	\$ 10,140,720	\$ 7,245,615	\$ -	\$ -	\$ -	\$ 17,386,335	2027-02
2022-03	\$ 9,890,500	\$ -	\$ -	\$ -	\$ -	\$ 9,890,500	2027-03
2022-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2027-04
2023-01	\$ 6,125,000	\$ -	\$ -	\$ -	\$ -	\$ 6,125,000	2028-01
2023-02	\$ 9,848,000	\$ -	\$ -	\$ 432,187	\$ -	\$ 10,280,187	2028-02
2023-03	\$ 9,800,000	\$ -	\$ -	\$ -	\$ -	\$ 9,800,000	2028-03
2023-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2028-04
2024-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2029-01
2024-02	\$ 6,006,000	\$ -	\$ -	\$ -	\$ -	\$ 6,006,000	2029-02
2024-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2029-03
2024-04	\$ 2,099,820	\$ -	\$ -	\$ -	\$ -	\$ 2,099,820	2029-04
TOTAL PRINCIPAL REMAINING	\$ 63,645,335	\$ 7,245,615	\$ -	\$ 432,187	\$ -	\$ 71,323,137	

LAND BANK CASH BALANCE (with Interest)	\$ 64,846,783	\$ 8,285,630	\$ 12,244	\$ 453,662	\$ -	\$ 73,598,319
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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 June 30, 2024

Month: 1.1% Fiscal year: 11.9%

The endowment fund had a solid fiscal year as equity markets were bolstered by excitement over generative artificial intelligence and the belief that moderating inflation would result in interest rate cuts by the Federal Reserve. Performance of the endowment fund was led by U.S. large-cap growth stocks which were up 30.9%. The endowment fund's U.S. large, mid and small cap stocks were up 25.3%, 14.3% and 11.4%, respectively, and international stocks were up 14.0%. Fixed income was up 3.0% and private core real estate was down 10.0%, the second consecutive year of declines.

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)

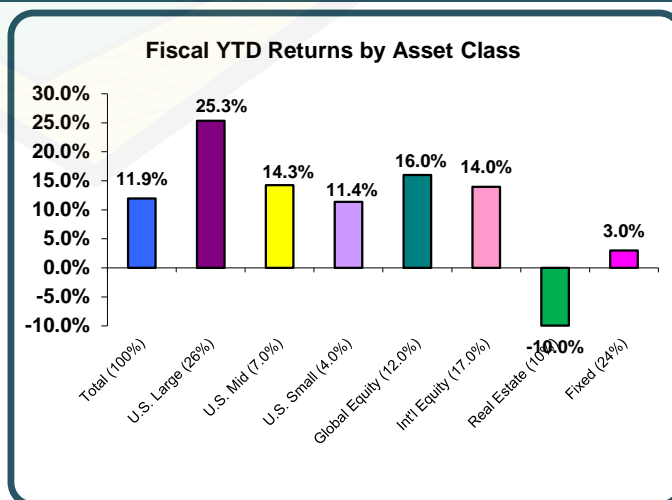
June 30, 2024

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	3,204,031,376	\$ 2,947,604,447
Distributions to Beneficiaries	(8,359,583)	(100,564,996)
Land Revenue net of IDL Expenses	12,397,873	50,956,186
Change in Market Value net of Investment Mgt. Expenses	31,205,789	341,279,818
Current Value of Fund	\$ 3,239,275,455	\$ 3,239,275,455

<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>endowment</u>	<u>Five Year</u>	<u>Ten Year</u>
Total Fund	1.1%	6.7%	11.9%	11.9%	2.6%	8.1%	7.3%
Total Fund Benchmark*	1.4%	6.3%	11.9%	11.9%	3.2%	7.7%	7.0%
Total Fixed	1.0%	-0.4%	3.0%	3.0%	-2.7%	0.2%	1.5%
BBG U.S. Agg. (Ag)	0.9%	-0.7%	2.6%	2.6%	-2.7%	0.1%	1.4%
Total Equity	1.3%	11.2%	18.5%	18.5%	4.8%	11.8%	9.8%
56% R3 25.8% Ax 18.2% AC	2.1%	11.1%	19.4%	19.4%	5.6%	11.3%	9.4%
Domestic Equity	2.2%	12.5%	21.6%	21.6%	6.2%	13.5%	11.7%
Russell 3000 (R3)	3.1%	13.6%	23.1%	23.1%	8.1%	14.1%	12.1%
Global Equity	1.1%	9.8%	16.0%	16.0%	5.1%	11.6%	8.2%
MSCI ACWI (AC)	2.2%	11.3%	19.4%	19.4%	5.4%	10.8%	8.4%
Int'l. Equity	-0.4%	9.2%	14.0%	14.0%	1.9%	8.8%	6.4%
MSCI ACWI ex-US (Ax)	-0.1%	5.7%	11.6%	11.6%	0.5%	5.5%	3.8%
Real Estate			-10.0%	-10.0%	1.8%	2.5%	
NCREIF ODCE Index			-4.9%	-12.9%	6.1%	4.7%	

* Benchmark: 37% Russell 3000 17% ACWI ex-US 12% AC 24% BB Agg. 10% OD

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,219.3	37.6%
Large Cap	866.9	26.8%
Mid Cap	222.7	6.9%
Small Cap	129.7	4.0%
Global Equity	395.6	12.2%
Int'l Equity	547.4	16.9%
Fixed Income	786.2	24.3%
Real Estate	275.2	8.5%
Cash	15.7	0.5%
Total Fund	\$ 3,239.3	100.0%



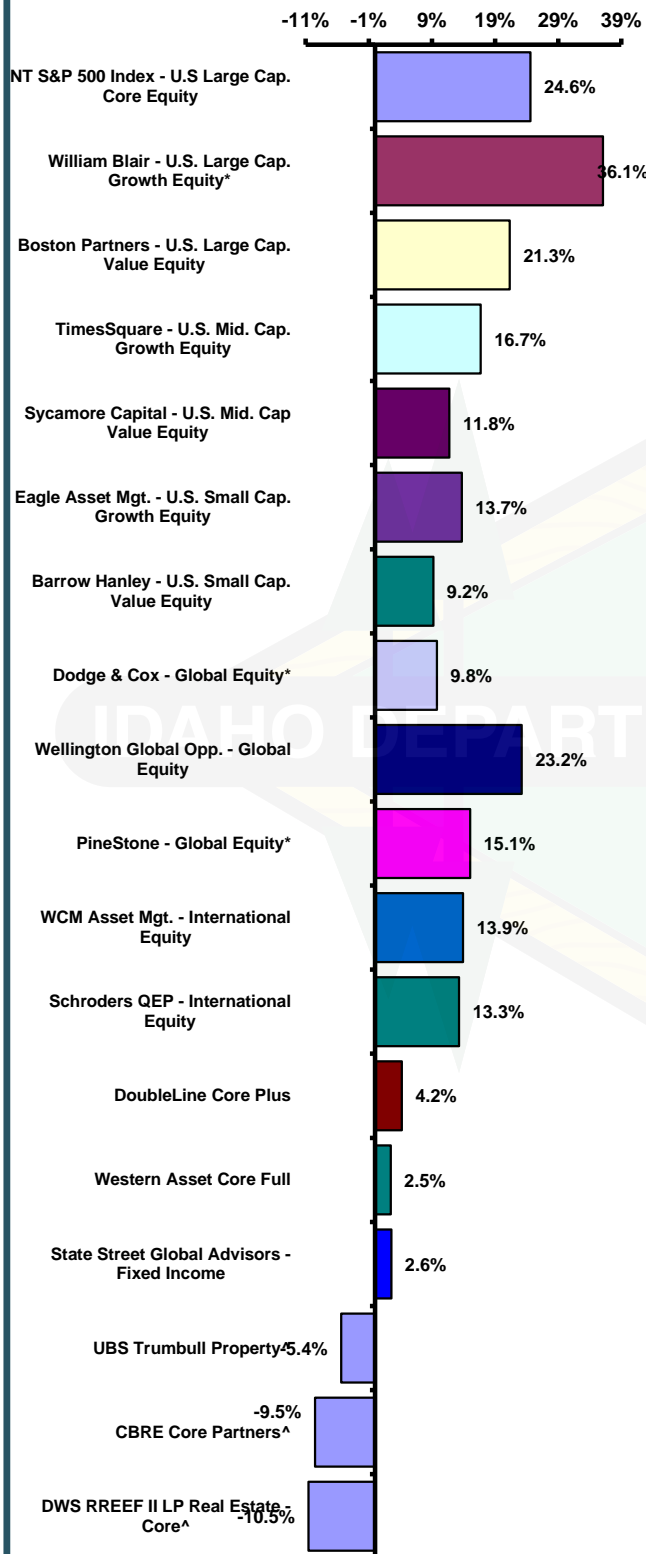
Endowment Fund Staff Comments:

The endowment fund had a solid fiscal year as equity markets were bolstered by excitement over generative artificial intelligence and the belief that moderating inflation would result in interest rate cuts by the Federal Reserve. Performance of the endowment fund was led by U.S. large-cap growth stocks which were up 30.9%. The endowment fund's U.S. large, mid and small cap stocks were up 25.3%, 14.3% and 11.4%, respectively, and international stocks were up 14.0%. Fixed income was up 3.0% and private core real estate was down 10.0%, the second consecutive year of declines.

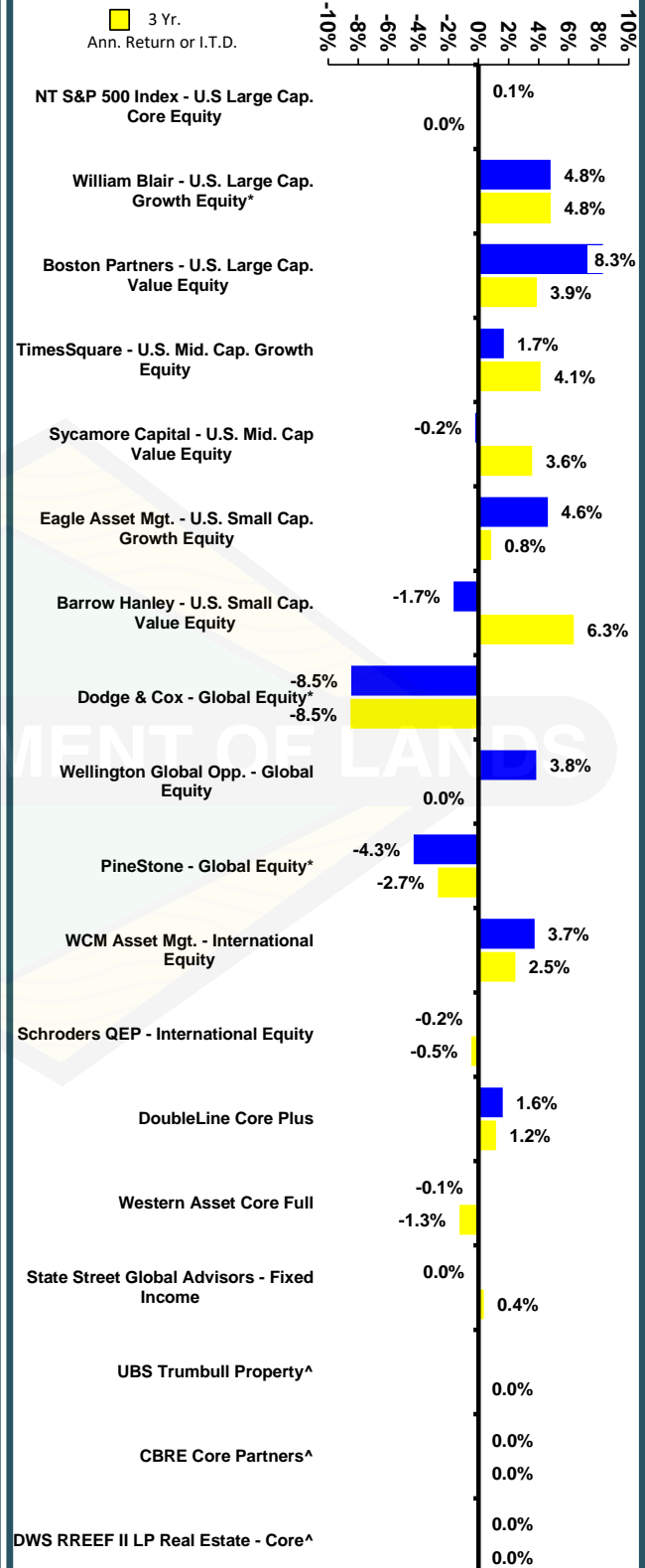
June 30, 2024

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



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

June 18, 2024

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, June 18, 2024 at the State Capitol, House Hearing Room EW42, Lower Level, East Wing, 700 W. Jefferson Street, Boise, Idaho, and via webinar. The meeting began at 9:01 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.

Director Miller introduced and welcomed Shannon Chollett, the Department's new Division Administrator over Minerals, Navigable Waterways, and Oil and Gas. Director Miller acknowledged the attendance of U.S. Forest Service Forest Supervisors from all seven national forests in Idaho, and recognized Allison Ginn, Idaho State Liaison for the Forest Service, for her efforts in bringing the forest supervisors to Boise for a series of meetings with state natural resource agency directors. Director Miller expressed his appreciation for the partnership work with these national forests, on fire, Good Neighbor Authority, and recreation, to name a few, and thanked everyone for coming.

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

A. Timber Sales – May 2024

B. Leases and Permits – May 2024

Discussion: None.

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

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

Discussion: Mr. Anton remarked that inflation fell in April to 3.4% after increasing slightly the first three months of 2024, and fell slightly more in May to 3.3%. This news helped boost the markets; during the month of May the portfolio was up 3.3%, and 10.7% fiscal year-to-date. Through yesterday [6/17] the fund is up 11.8% and will hopefully finish strong the next two weeks and end the fiscal year in a very healthy place. The economy was expected to slow as the Federal Reserve's higher interest rates raised borrowing costs, but consumer spending is strong, and people continue to be optimistic. There is positive growth, rising wages, inflation continues to come down and financial markets are strong. Overall, a very good year for the endowments.

Consent—Action Item(s)

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

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

Discussion: Controller Woolf clarified that for regular Department of Lands' dispositions, the minimum appraised value must be met, at the very least, but for this sale with the Department acting on behalf of Fish & Game, the minimum appraisal does not have to be met and therefore \$50,000 is acceptable. Mr. Lathim said that is correct; this is not endowment land.

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

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

Discussion: None.

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

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.

Discussion: Governor Little noted that each of these parcels is isolated by Forest Service ground, and asked if old rights-of-way across Forest Service ground were given commensurate value for the access. Ms. Barker replied that access is taken into consideration, whether there is or is not legal access, because the appraiser looks at the highest and best use for the parcels. Access is taken into consideration as far as the easement value and as far as access for the public as well. When the public has opportunity to recreate on these parcels it opens up that land for everyone. Secretary of State McGrane commented that the easement provides non-motorized public access in perpetuity and inquired if that is part of the Forest Legacy program or just being applied

to this particular easement. Ms. Barker answered that non-motorized public access is access that the Department is guaranteeing in perpetuity. The property owners have the option to open it for motorized access if they choose. That tends to open up problems for the property owners, such as tree damage, especially as people go off-roading when they should not. Some property owners open it up to motorized access on the existing roads and some of them do not.

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

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

Discussion: Governor Little requested a redline copy of last year's plan versus this year's. Secretary of State McGrane asked Director Miller to highlight some of the substantive changes. Director Miller indicated that the Department is now protecting 9 million acres with changes in the fire master agreement; adding the Eastern Idaho District; increasing the Department's target of fires suppressed at 10 acres or less from 94% to 95%; focusing on leadership development and encouraging staff to work on leadership and trainings. The Department hired a new Facilities and Fleet Manager and is pushing its facilities plan, looking at seasonal housing facilities, which are few, as well as existing facilities; working with the Permanent Building Fund for funding to make necessary upgrades to Department buildings, trying to stay ahead of some deferred maintenance. Also looking at other options for funding seasonal facilities, revisiting the Land Bank and exploring if Land Bank funds can be used to purchase seasonal housing where the Department can demonstrate the return. Director Miller said fund integrity is another priority, ensuring that Earnings Reserve funds and Dedicated funds are paying the way for appropriate programs, bringing the programs into alignment with the correct funding sources; changes to the funding structure are well underway for maintaining that fund integrity. The Department is starting a rigorous planning effort on the fire program, making a lot of progress with modernization thanks to the help of the Land Board and the legislature, incrementally making improvements to funding the fire program, paying for firefighters, hazard pay, equipment, training, additional personnel. Due to some significant changes to the entire fire community and partner agencies, the Department is providing long-term vision, long-term planning to make sure fire staff can continue to maintain a high success rate on initial attack, given many changes, a growing Idaho, more human caused fires, and more development in the wildland urban interface.

7. State Membership in Timber Protective Associations – Presented by Dustin Miller, Director

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

Discussion: Governor Little asked if this is a change from status quo. Director Miller replied it is a routine item every year, pursuant to statute. Controller Woolf inquired if the Eastern Idaho District will fall under this Idaho code section when it becomes operable. Director Miller responded that the Eastern Idaho District is a new Department district and will have readiness reviews in the future along with existing Department districts. The Eastern Idaho District is expected to be fully staffed for next year's fire season; a fire warden was hired, and the Department is in the process of hiring two assistant fire wardens.

8. Deficiency Warrant Authority for FY2025 Fire Suppression – *Presented by Dustin Miller, Director*

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

Discussion: Superintendent Critchfield inquired what amount of money is currently in the fund. Director Miller answered that it is between \$66-68 million right now. Superintendent Critchfield asked Governor Little if that is a request in his budget. Governor Little said it is in conjunction with the Department's budget request. Secretary of State McGrane asked if the \$68 million, or whatever it ends up costing, is all General Fund dollars. Director Miller replied yes.

9. Approval of Draft Minutes – May 21, 2024 Regular Meeting (Boise)

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

Regular—Action Item(s)

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

Recommendation: Approve the Energy Leasing Policy.

Discussion: Superintendent Critchfield noted that the policy applies to leases of endowment land for an electric energy production facility with a gross rated capacity of at least 10 MW and wondered what happens if a facility is under 10 MW. Mr. Hall responded that the Department would follow normal procedures for commercial leasing and added that 10 MW is where the Department considers it to be an energy production facility for commercial use as opposed to a windmill to power a small shop, for example. Superintendent Critchfield clarified it is based on capacity rather than the term of the lease or the type of energy. Mr. Hall said yes. Controller Woolf offered his appreciation to the Attorney General's office, Mr. Stover from the Office of Energy and Mineral Resources, and Department staff for working on this policy and ironing out many questions and concerns to bring it together.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Department's recommendation for this Energy Leasing Policy. Secretary of State McGrane seconded the motion.

Additional Discussion: Attorney General stated he opposes this. However, Attorney General Labrador stated he is proud of the work that his office did in making sure that most legal issues were resolved, proper legal advice was given to the Land Board, and necessary language was included in the policy. Attorney General Labrador expressed his concern, given what is happening in Lava Ridge, and now the Land Board is thinking about putting windmills on state lands; this is not the right policy for the state. Regardless of it making more money for the state, the Land Board does not know what the consequences are for the future for those where windmills are sited. Secretary of State McGrane commented the Land Board has its fiduciary duty to the beneficiaries of the endowment, but also the intention of this policy is not in pursuing these projects rather putting in sideboards such that in the event a lease proposal is submitted the Department has guidelines to follow to evaluate that lease. The Lava Ridge situation likely

triggered the discussion, that this could come to the Department just as it came to the federal government. Secretary of State McGrane observed that Scott Campbell recognized these projects could be lasting, and if a project failed, what are the bonds that need to be put in place. Secretary of State McGrane clarified his understanding is not that the Land Board is seeking out energy leases instead putting in place parameters for how to evaluate those. Mr. Hall concurred.

The motion carried on a vote of 4-1; Attorney General Labrador cast the opposing vote.

Information

[Editor's note: The Discussion portion of agenda item 11 is written in first-person format. This is not a verbatim transcript.]

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

Discussion:

Secretary of State McGrane: How many firefighters are you short if you were able to ideally staff?

Mr. Harvey: To ideally staff, those 31 engines would each have a qualified engine boss. Currently we have 18 temporary engine foremen to staff those engines.

Secretary of State McGrane: Is that the specific area where we are struggling the most is those experienced people to run the engines?

Mr. Harvey: That is our highest priority. Oftentimes our engine bosses are also qualified as a Type 4 incident commander. Those emerging incidents really need an experienced individual serving as the incident commander.

Secretary of State McGrane: Is it harder to bring our folks back when there is the lure of the federal jobs?

Mr. Harvey: It is a niche job; we are also competing with our neighboring states and contractors for folks that want to get into that position.

Governor Little: Who provides fire suppression on both Fort Hall and Duck Valley Sho-Pai?

Mr. Harvey: For Hall does it themselves; it is the BLM for Duck Valley.

Governor Little: When we have one of those fire years where we get close to tapping that \$60-\$70 million, when we have all kinds of fires, what is the capacity of the Forest Service, the BLM, National Guard. You are doing great work with the logging industry, the timber industry, the RFPAs, but it would be nice if we had an overall barometer of where we are in fire preparedness of all the agencies, including our Department of Corrections people that get deployed sometimes. In other words, if we have some bad fires in Nevada or Utah then federal resources go there including heavy aircraft capacity. Who has that national barometer of fire readiness? Right out here at the National Interagency Fire Center?

Mr. Harvey: NIFC plays a big part for that, Governor. There are several tiers in coordination across the nation. Currently Idaho works in that middle tier with the Northern Rockies and the Great Basin Coordinating Groups. Those two coordinating groups are working under NMAC, the national multi-agency coordination group. That group maintains situational awareness across the entire nation, on a day-to-day basis, the number of resources that are available, resources that are assigned, what those types of resources are. Through the coordination groups, through monthly meetings, more frequent meetings in fire season, we get daily updates on what is available, what is not, and where those resources are located, down to the point where we know when certain types of resources are coming available from days off, the number of days they have spent on fires so we can understand what fatigue levels look like, how much work our folks have been putting in on the ground and monitoring, depending on that whole situation.

Governor Little: In good years we are at 80% of IDL capacity. Where are we this year relative to what would be the norm?

Mr. Harvey: We are relatively normal as far as personnel in seats. It is that leadership role where we are behind significantly, and that is the draw on the rest of the agency to support and fill those positions.

Governor Little: Forest Service Chief Moore is interested in aggregating that data for everybody to share, maybe we will talk to Interior.

Secretary of State McGrane: What could the Land Board do to support you in terms of staffing?

Mr. Harvey: Steps are being taken in education with the CTE (Career & Technical Education) program. I sit on the school board in St. Maries, SD41; we are currently working on putting our building in place, using grant funds for CTE, and establishing a forestry and fire program along with diesel mechanics, welding, and what else is going to be hosted there. The intent is to have high school kids entering the work force already qualified. They essentially would have to take their pack test and they are good to go. Beyond that, the University of Idaho hosts a degree in fire management; they are well known for their forestry degree and natural resources degree. They also have a fire ecology and management degree. If there is a way to assist in getting high school kids, whether it is scholarships or grants, directly from high school, offer them employment, or our partners offer them employment, but to continue their education, move them towards those management-level positions is a really good idea.

Secretary of State McGrane: In recent years the federal agencies have extended benefits throughout the year, making that shift from seasonal work to the person who is staying. Is that something we also need to be evaluating, that staying capacity.

Mr. Harvey: That is an excellent idea to continue to explore. Extending those benefits, keeping people in our organization does require being able to provide those folks 23-30 years old who are starting families, competitive pay, competitive benefits. We are actively working on advancing fuels management within the state, working with Idaho's Prescribed Fire Council; if things continue in that direction there is the opportunity for more extended work into the fall, earlier in the season, doing hazardous fuels work across the state. Opportunities to gainfully employ people and put them to work on meaningful projects are in the near future. If we put all these pieces together, it is not any one specific problem, pay is always an issue, the benefits, making sure we have meaningful work for those tax dollars, putting them to work on the ground in those shoulder seasons, it is going to help us take strides towards improving our staffing.

Secretary of State McGrane: One additional question, do we track endowment land assets that are burned. We do not earn much from grazing; we earn a lot on timber. Almost the worst type of asset we can have as a Land Board is acreage in northern Idaho that was scorched just enough to be unusable but scorched to where you cannot recover because it is too expensive to remove all the dead timber. Suddenly it is not valuable, and we cannot sell the land because no one wants that type of land. The Department's fire division handles fire at mass, for safety and protecting assets universally, but as members of the Land Board do we quantify our losses specific to where the beneficiaries are losing money. Quantifying makes a big impact on how we make ROI (return on investment) decisions as it relates to fire protection.

Mr. Harvey: When it comes to fire, we look at the value and the assets that are being threatened by individual fires. For example, in 2021, the Big Rock Fire out of CPTPA, we could not get that fire identified as a priority in the region until a report from our timber folks said there was \$110 million worth of standing value within a half mile of this incident. That fire became number one. Damages to an endowment piece of ground is on a case-by-case basis, but for quantifying and tracking it, I will turn that over to Craig Foss.

Mr. Foss: When we have fires and we have resources threatened, our endowment folks are in the loop with us on what specifically is threatened. When resources burn, we are in there oftentimes before the smoke is settled putting together salvage sales. We are also concerned when we get fires through plantations, because that is our future income on those forests. We have those numbers in real time in fire season but putting together the benefit of our fire program to our endowment, we know our overall value of endowment timber, we do not know what will work in any given year.

Secretary of State McGrane: What I am asking is for the timber division, at the end of fire season, to come back and say on our timberland we had this number of fires, this many acres burned, but the additional component to say we estimate that we lost X number of board feet that we would value at Y. To Josh's example from 2021, if we lose \$100 million worth of timber, we should be taking note of that as fiduciaries, whether it is salvage sales or to replant, some of it we might just lose, and it is no longer productive land anymore. I understand the idiosyncratic nature of each of the fires, that is why we have the initial attack, but I think it is a good metric for us to be looking at the end. If it is \$10 million, we might evaluate it one way versus a really bad fire year and we lose \$150 million of timber, the next fire season how do we make sure we are responding adequately or putting pressure on our partners to also put the resources towards protecting our timber. When we talk about fire, because it is General Fund funded, it is more of the general government function versus the Land Board as fiduciaries for the endowment land; we are operating as a business, and we have a strong incentive to protect our assets. I understand the cost of fire, but how do we quantify the asset loss.

Mr. Foss: That is a great question, and we will work on that.

Director Miller: If we have endowment timber that burns, we act very quickly to sell that timber at salvage, to get something out of that timber depending on the severity of the burn. It is impressive how fast our foresters can sell a salvage sale and get the loggers in there to remove that wood.

Secretary of State McGrane: Brandon and I went up and visited the Benton Ridge salvage sale, and that is really good work. Still, if you have a really bad fire, you just burn assets. You cannot salvage something that is ashes, so there is loss. It is good for us to start measuring that loss and

to be able to highlight the salvage sales: we lost this much but we were able to recover a certain portion of that. It helps make the case for the department, depending on what those losses are, in terms of how we invest in protecting those assets. Any good company will invest to protect their assets. Some of it is inevitable; a lightning strike is what it is, or some recreator doing something careless.

Governor Little: Sometimes we make money on fire sales. It just moves it up, and we have to shuffle sales around. It depends on the species, depends on how hot it burns, there are sometimes after a fire we come out money ahead.

Secretary of State McGrane: I am not being critical, I want to support it, this seems to be a valuable metric.

Jim Elbin: To Secretary McGrane's question, we do not report on that, but we very much keep track of the numbers. The impetus on Benton Butte was to get the cedar out because we had the most value there; we probably did lose some value long-term on the other sawlog but because we were able to act so quickly, we were able to capture that cedar value. We have a good idea historically where we have spent extra money. We are a really good initial attack fire agency, and we manage our forests; managed forests are much easier to fight fire in. When you do lose the plantation, odds are good, as long as it is not a major wind and weather driven event, that is where you can make the stand and stop the fire. Our best defense is continued good management.

Attorney General Labrador: Josh, going back to your CTE training, when a student leaves high school and has been trained in a program like that, what is their starting salary, and after starting salary, do they have other prospects at the Department to stay.

Mr. Harvey: Our entry level firefighters come in just under \$16/hour. In the last few years, we have developed a progressive career ladder that moves them from that Firefighter 2 to within a few years they can be a temporary employee working a 5-month plus season, benefitted, to a permanent engine foreman position; at that point they should be grooming to move into an assistant fire warden position and then into a fire warden position. The career ladder is there, our challenge is getting the folks into our program and keeping them there. It is very competitive. The State of Montana moved their starting firefighter pay to \$19.05/hour. With the support of the Land Board and the legislature in developing our zone fire manager positions, which is the next step up from our fire wardens, then deputy chiefs, and then my position, we have a full career ladder for people that are interested in wildland fire within our agency.

Attorney General Labrador: How does it compare to the federal government?

Mr. Harvey: I would have to ask my partners that are here to speak directly to that.

Governor Little: I think they offered a \$20,000 bonus last year, but in fairness, there is a lot of uncertainty. They are at the whim of Congress on funding, and I think that is probably one of the things that are helping the states is the surety of the change in pay. You are better off with the state than with the federal government. That is why I asked Chief Moore about their readiness; a \$20,000 signing bonus is a pretty good deal for a kid from St. Maries High School.

Mr. Harvey: It definitely grabs attention. I believe they are operating on a continuing resolution.

Secretary of State McGrane: Does Craig mind speaking to it? How competitive are you Craig?

Craig Glazier: That remains to be seen. Good morning, Governor, and Land Board. My name is Craig Glazier, and I am the Fire and Aviation Director from the Northern Region of the U.S. Forest Service based out of Missoula. For a starting hourly wage, you have us beat. We consider our GS9 and below production firefighters. A GS9 is a little over \$28/hour starting and an entry level firefighter is a little over \$15/hour. We do currently have a pay incentive. It is not \$20,000 across the board for everybody; it is either 50% of their current income or \$20,000, whichever is less. That has been very helpful for us, but it is not permanently funded at this point; there is some uncertainty there.

Director Miller: We have made strides to catch our federal friends where we can on pay. The hazard pay that passed through the legislature with support of the Land Board, paid days off to rest and recuperate before the next roll, the boot policy, and some other incentives. We keep looking at pay structures and it is paramount for us. This will all be factored into our long-range planning for the fire program, and we will be briefing the Land Board along the way. We will bring forward our enhancement requests for FY26 in August and will include a few elements for the fire program.

At 10:35 a.m., a motion was made by Controller Woolf that the Land Board resolve into Executive Session pursuant to 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 the vacancy in an elective office or deliberations about staffing needs in general. Controller Woolf stated the second reason the Land Board is resolving into executive session is per 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. Controller Woolf requested that a roll call be taken, and that the Secretary record the vote in the minutes of the meeting. Attorney General Labrador seconded the motion. *Roll Call Vote: Aye:* McGrane, Labrador, Woolf, Critchfield, Little; *Nay:* None; *Absent:* None.

Executive Session

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.

At 11:09 a.m., a unanimous consent motion was made by Controller Woolf that the Land Board resolve out of Executive Session and let the record reflect that no action was taken by the Land Board during Executive Session.

Regular—Action Item(s)

12. Personnel Matter – *No Board Materials*

Board Action: A motion was made by Controller Woolf that the Land Board increase Director Dustin Miller's pay rate by 4% based upon his agency's budget that is available, effective the first pay period in the new Fiscal Year 2025 [June 9th for the July 5th, 2024 pay date]. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

There being no further business before the Land Board, at 11:10 a.m. a motion to adjourn was made by Superintendent Critchfield. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.



IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

July 16, 2024
Information Agenda

Subject

Forest Asset Management Plan and Timber Program Update

Background

In 2009, the Idaho Department of Lands (Department), with the help of several consultants, developed and presented the Forest Asset Management Plan (FAMP) to the State Board of Land Commissioners (Land Board). Individual supervisory areas established biological and financial management goals to reduce overall standing volume to maximize returns to endowment beneficiaries, address market changes and risk, reduce biological and fire risks, and maintain or improve important forest functions. The FAMP is tied to the Land Board's Endowment Lands Asset Management Plan.

Attachment 1 includes slides providing background information and graphs regarding all FAMP processes from 2009 through this year.

Discussion

The 2009 FAMP increased statewide harvest levels from 182 to 247 million board feet (MMBF) on an annual basis. Harvest modeling was completed using Continuous Forest Inventory (CFI) inventory data. In the years preceding the first FAMP, CFI data led to incremental steps of an increased harvest from 182 to 212 over the 1998 to 2002 timeframe. At that time the statewide forest inventory showed a standing inventory of over 10 billion board feet. The harvest level of 247 MMBF accelerated harvest over a period of forty years to drop standing inventory down to around 5 billion board feet before dropping to approximately 200 MMBF per year.

The overarching goals of the FAMP process were:

- Continue to maximize returns to endowment beneficiaries
- Address market changes and risk
- Reduce biological and wildfire risks to trust land forests
- Maintain or improve important forest functions

Strategic and tactical goals of the FAMP were:

- Address market and milling changes by shifting diameter classes to smaller sizes over time
 - Accelerated harvest of larger diameter stands over 40- to 50-year horizon

- Reduce holding and biological risks
 - Future shorter rotations
 - Provide protection from insects, disease, and wildfire loss
 - Provide other forest functions of functional watersheds, carbon sequestration, and genetic diversity
- Highlight areas for land changes through disposal, acquisition, and revenue diversification
- Benefit the Endowments from helping maintain industry and local economies

The FAMP overarching, strategic, and tactical goals from 2009 continue to hold true to today, were reflected in the 2019 FAMP update, and are reflected in the Department's current FAMP modeling efforts to be presented for approval in August. The 2019 FAMP started with a total standing inventory of 9.5 billion board feet. This standing volume was much higher than anticipated given the 2009 modeling effort and the increased harvest. The 2019 update utilized CFI and Stand Based Inventory (SBI). Modeling efforts from the 2019 FAMP increased harvest levels from 247 to 328 MMBF. This harvest level was deemed sustainable until the year 2044 followed by a decrease to 240 MMBF.

Three initial runs from the current FAMP modeling process are shown as slides 7 and 8 of Attachment 1. These three runs show 100-year harvest scenarios. The Even Flow Clearcut MBF harvest shows what the Department can harvest without ever seeing a decrease in harvest level over time, but would result in a significant decrease for FY26. Current Cutx2 and Cutx4 GROW show what harvest levels are if the Department maintains current FAMP harvest levels of 328 MMBF for the next ten or twenty years, respectively.

Work within the agency, communication with industry, and the Department's modeling advisor leads to the preferred option of maintaining harvest levels at 328 MMBF statewide, with some minor adjustments at a few supervisory areas, over the next five years, when the Department will repeat the modeling efforts and reevaluate. This will allow for the incorporation of another jump forward in data from refreshed LiDAR sources and five years of sub-merchantable stand growth data, while maintaining the steady industry supply of fiber to the market.

Attachments

1. FAMP Background and Processes
2. Payette Lakes 10-year Harvest Schedule
3. Priest Lake 10-year Harvest Schedule

Forest Asset Management Plan Update

Jim Elbin
Division Administrator
Trust Lands

July 16, 2024



Goals and Purpose

Purpose of FAMP Process

- ▶ Strengthen one of IDL's core trust land businesses – Timber Management
- ▶ Tied to 2007, and since updated, Endowment Lands Asset Management Plan

Broad Goals of FAMP Process

- ▶ Continue to maximize returns to endowment beneficiaries
- ▶ Address market changes and risk
- ▶ Reduce biological risks to trust land forests
- ▶ Maintain or improve important forest functions



Sustainability Goals of FAMP

- ▶ Address market and milling changes by shifting diameter classes to smaller sizes
- ▶ Reduce holding and biological risks:
 - Shorter rotations
 - Protection from insects, disease, and wildfire loss
 - Still provide other forest functions of watersheds, carbon sequestration, and genetic diversity
- ▶ Highlight areas for land changes through disposal and acquisition and revenue diversification
- ▶ Endowments benefit from helping maintain industry and local economies



History

- ▶ 2009 Land Board adopted the Forest Asset Management Plan (FAMP) option 4 presented by the department
 - Increased annual harvest from 182 MMBF to 247 MMBF (35.7% increase)
 - Utilized Continuous Forest Inventory (CFI)
- ▶ 2019 FAMP updated
 - Increased annual harvest from 247 MMBF to 328 MMBF (32.8% increase)
- ▶ All modeling runs calculated a desired standing volume of between 4.5 and 5.5 billion board feet
 - Started from approximately 10 billion board feet
 - Primary and Secondary Base combined



Current FAMP

- ▶ Continues management and principles identified in 2009
- ▶ Utilizes better inventory data and growth and yield models
 - Stand based inventory across all diameter classes and submerchantable forest types (seedling, sapling, etc.)
 - LiDAR (Light Detection and Ranging) modeled inventory added to data portfolio
- ▶ Focusing on concepts of Forest Regulation and Long-term Sustained Yield
- ▶ Further identifies areas of focus for timberland acquisition

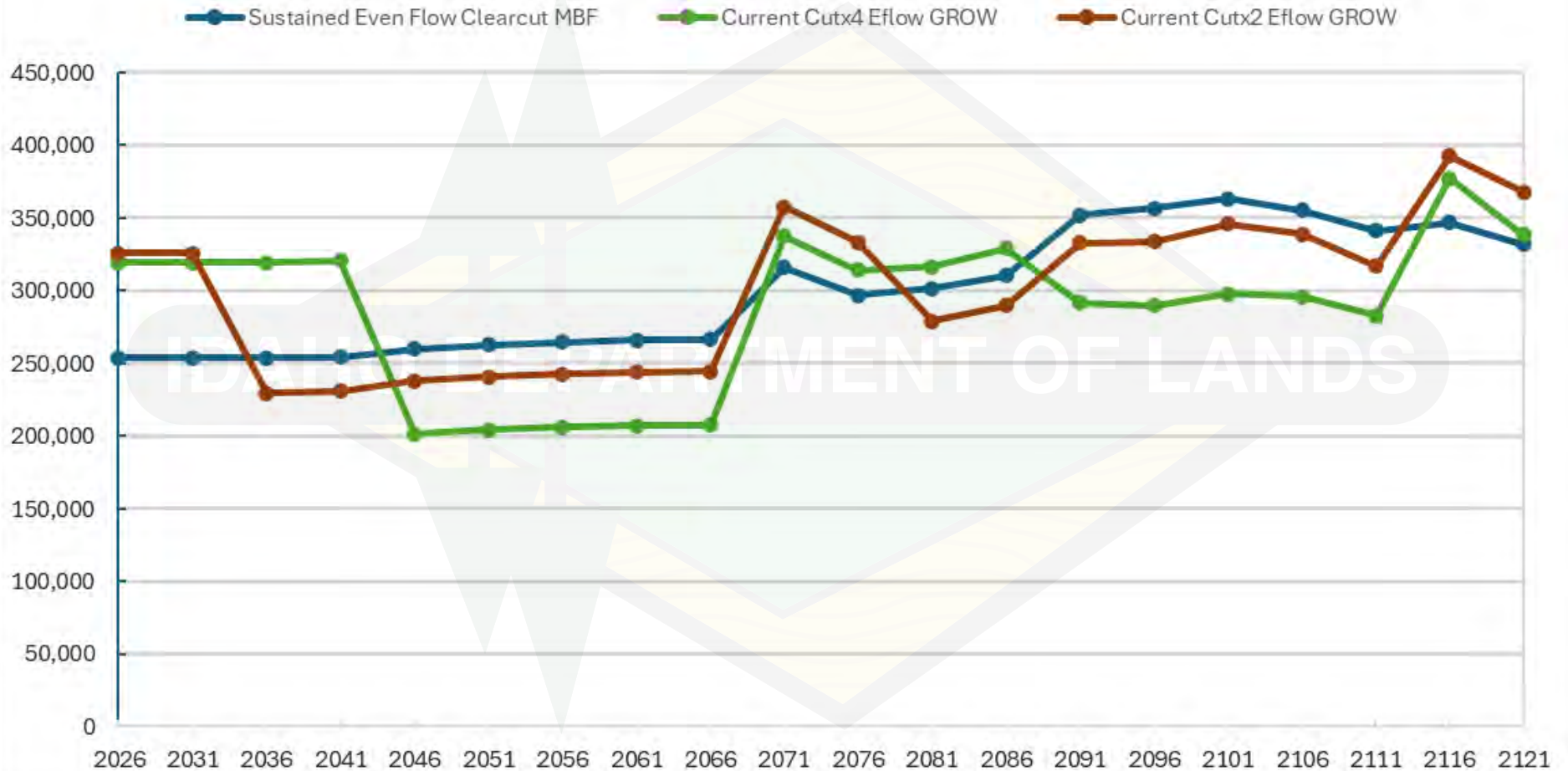


Current FAMP (cont.)

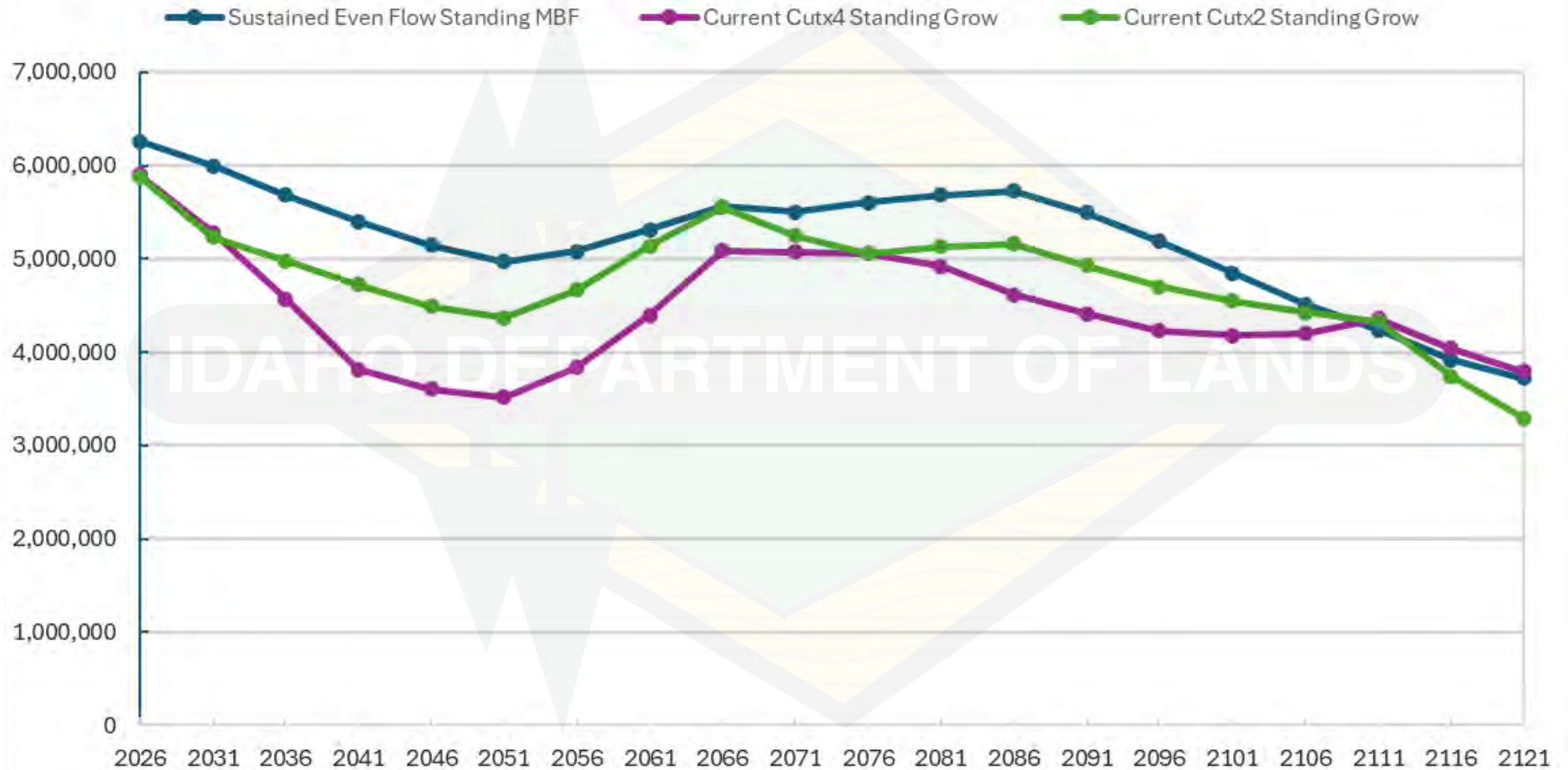
- ▶ Maintains cedar pole harvest levels at a minimum of 20,000 per year
 - Cedar pole harvest could approach ~35,000 poles per year and be maintained at that level for over forty years
- ▶ Western redcedar decreases over the long-term in overall inventory
 - Species will be managed on the highest productivity sites
 - Difficult to regenerate through planting
 - Takes 10-20 years longer on marginal sites to reach same volumes as other species
- ▶ Continued use of Delivered Products Sales
 - IDL hired loggers and haulers
 - Species and/or products sold as a “sort”
 - Compare results to stumpage sales
 - Expansion of program will require budget increase for Operating Expenses



MODELED STATEWIDE HARVEST LEVEL



MODELED STATEWIDE STANDING INVENTORY



Standing Inventory Today

Type	Large Saw	Med Saw	Small Saw	Poles*	Saplings	Seedlings	Total
Acres	232,718	142,265	152,633	88,440	113,306	113,107	842,469
Percent	28%	17%	18%	10%	13%	13%	

*poles here is in reference to all species 3 to 6.9 inches DBH (diameter at breast height)

Western redcedar (WRC)/Cedar Poles

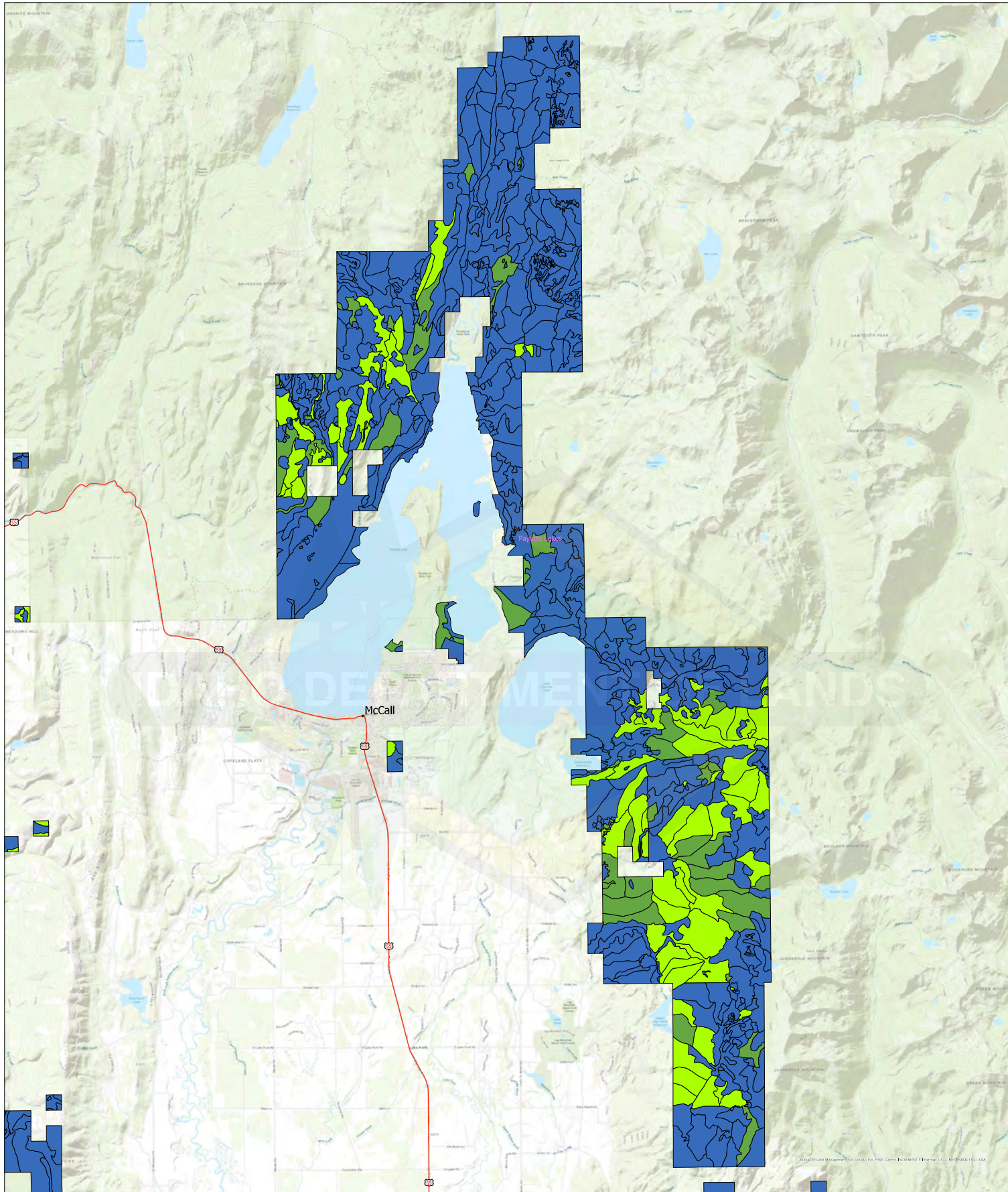
- Current Inventory 831 MMBF of western redcedar above twelve inches DBH – 12% of total volume
- Estimate 20% of that volume is cedar pole quality ~ 1,335,000 poles
- Harvest levels would allow for 35,000/yr for 38 years (67 years at 20,000), which does not account for any new growth
- At modeled regulation, WRC will be approximately 4% of inventory
 - Focused WRC management on highest productivity sites
 - Difficult and expensive artificial regeneration
 - Must hold mixed species stand longer to get pole quality cedar – loss of return



2024 FAMP Recommendation

- ▶ Maintain harvest levels at 328 MMBF for next five years
- ▶ Continue evaluation of Delivered Products Sale Program
 - Comparison to stumpage sale prices
 - Contracting efficiencies
 - Potential Operating Expense budget increase to expand program in FY27 or FY28
- ▶ Continue work with partners on improved seed development
- ▶ Continue improving work on inventory modeling and increasing submerchantable forest inventory data (LiDAR and SBI)
- ▶ Implementation means increased harvest activities in “difficult to manage” regions of the state.

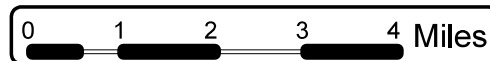


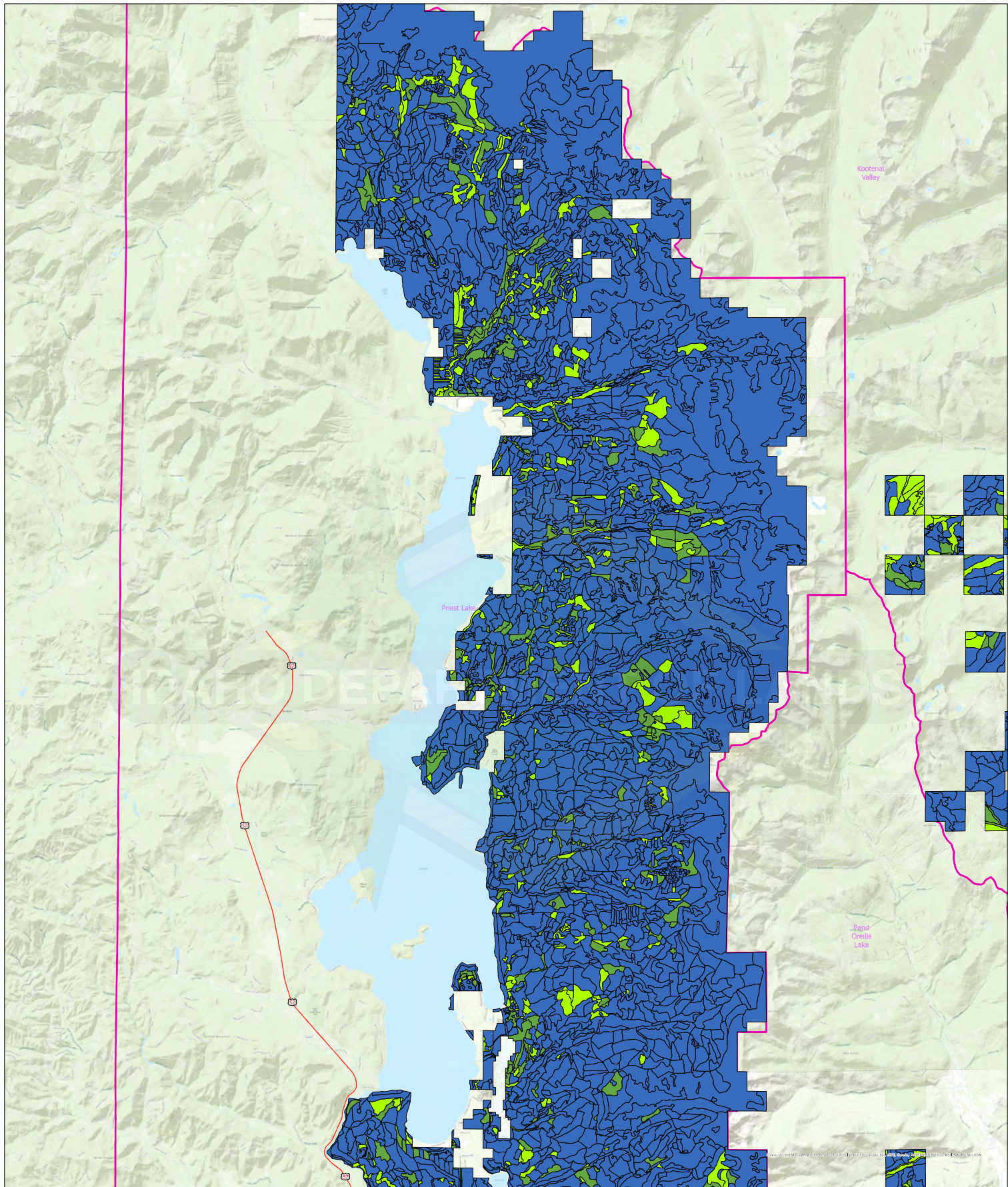


Legend

- 2024-2029 FPS Harvest Schedule
- 2030-2035 FPS Harvest Schedule
- Other Endowment Land

Payette Lakes 10 yr FPS Harvest Schedule





Legend

- 2024-2029 FPS Harvest Schedule
- 2030-2035 FPS Harvest Schedule
- Other Endowment Land

Priest Lake 10 yr FPS
Harvest Schedule

