

Idaho State Board of Land Commissioners

Open Meeting Checklist

Meeting Date: November 18, 2025

Regular Meetings

Date	Action
11/7/2025	Meeting Notice posted in Idaho Department of Lands (IDL) Boise Director's office five (5) or more calendar days before meeting.
11/7/2025	Meeting Notice posted in IDL Coeur d'Alene staff office five (5) or more calendar days before meeting.
11/7/2025	Meeting Notice posted at meeting location five (5) or more calendar days before meeting.
11/7/2025	Meeting Notice posted electronically on IDL website (https://www.idl.idaho.gov) five (5) or more calendar days before meeting.
11/7/2025	Meeting Notice published on Townhall Idaho website (https://townhall.idaho.gov) five (5) or more calendar days before meeting.
11/13/2025	Agenda posted in IDL Boise Director's office forty-eight (48) hours before meeting.
11/13/2025	Agenda posted in IDL Coeur d'Alene staff office forty-eight (48) hours before meeting.
11/13/2025	Agenda posted at meeting location forty-eight (48) hours before meeting.
11/13/2025	Agenda posted electronically on IDL website (https://www.idl.idaho.gov) forty-eight (48) hours before meeting.
11/13/2025	Agenda published on Townhall Idaho website (https://townhall.idaho.gov) forty-eight (48) hours before meeting.
10/10/2025	Revised Land Board annual meeting schedule posted—Boise Director's office, Coeur d'Alene staff office, and IDL website (https://www.idl.idaho.gov).

Certification

/s/ Renée Jacobsen

Recording Secretary

November 13, 2025

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 NOVEMBER 2025

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, November 18, 2025 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 (MT).

Please note meeting 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.

[Live streaming via Idaho Public Television](https://www.idahoptv.org/shows/idahoinsession/ww02)

<https://www.idahoptv.org/shows/idahoinsession/ww02>

[Register to attend the Zoom webinar](https://idl.zoom.us/webinar/register/WN_zwiRgMDMTRi9Rph53XefNg)

https://idl.zoom.us/webinar/register/WN_zwiRgMDMTRi9Rph53XefNg

Notice Posted: 11/7/2025 Boise; 11/7/2025 Coeur d'Alene

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



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Final Agenda

State Board of Land Commissioners Regular Meeting
November 18, 2025—9:00 AM (MT)
State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing,
700 W. Jefferson St., Boise, Idaho

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[Register to attend the Zoom webinar:](https://idl.zoom.us/webinar/register/WN_zwiRgMDMTRi9Rph53XefNg)

https://idl.zoom.us/webinar/register/WN_zwiRgMDMTRi9Rph53XefNg

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—October 2025
 - B. Leases/Permits Transactions and Revenue—October 2025
 - C. Fire Season Update—Final
 - D. Land Bank Fund
2. Endowment Fund Investment Board—presented by Tom Wilford, EFIB Board Chair; Jerry Aldape, Land Board Audit Committee Chair; and Chris Anton, EFIB Manager of Investments
 - A. FY2025 Annual Report
 - B. Land Board Audit Committee Report
 - C. Manager's Monthly Report
3. Performance Review of Total Endowment—presented by Dustin Miller, Director

Consent—Action Item(s)

4. August 13, 2025 Live Auction, Geothermal Lease H800110—presented by Mike Murphy, Program Manager-Minerals Leasing
5. Emmett Airport Pond Surplus Property (Idaho Fish and Game)—presented by Jessica Hale, Program Manager-Real Estate
6. Approval of Draft Minutes—September 16, 2025 Regular Meeting

Regular—Action Item(s)

7. Adoption of Pending Rule IDAPA 20.03.02, Rules Governing Mined Land Reclamation—presented by Andy Mork, Program Manager-Minerals Regulatory
8. Adoption of Pending Rule IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in Idaho—presented by Marde Mensinger, Program Manager-Navigable Waters
9. Statement of Investment Policy Annual Review—presented by Jim Elbin, Division Administrator-Trust Lands
10. Reconsideration of Disposition of Driggs 160 Endowment Parcel—presented by Jim Elbin, Division Administrator-Trust Lands
11. USFS/IDL Land Exchange Concept—presented by Bill Haagenson, Deputy Director-Resource Management

Information

12. USFS-IDL Joint Shared Stewardship Presentation—presented by Ara Andrea, IDL Shared Stewardship Coordinator; Jon Songster, IDL Bureau Chief-GNA; Jeff Lau, IDL-USFS North Idaho Shared Stewardship Coordinator; Brian Davis, IDL-USFS South Idaho Shared Stewardship Coordinator

Executive Session

None

This agenda is published pursuant to Idaho Code § 74-204. The agenda is subject to change by the Land Board. To arrange auxiliary aides or services for persons with disabilities, please contact Idaho Department of Lands at (208) 334-0200. Accommodation requests for auxiliary aides or services must be made no less than five working days in advance of the meeting. Agenda materials are available on [IDL's website](https://www.idl.idaho.gov/land-board/) <https://www.idl.idaho.gov/land-board/>.



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

November 18, 2025

Trust Land Revenue

Timber Sales

During October 2025, the Idaho Department of Lands (IDL) sold six endowment timber sales at auction. Four of the sales had competitive bidding. The net sale value represents a 16% increase over the appraised value. Two endowment timber sales did not sell at auction.

TIMBER SALE AUCTIONS

Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$ / MBF	Purchaser
Dreadnaught	PON	8,900	0	0	\$ 1,741,271.00	\$ 2,333,321.00	\$262.17	IFG Timber LLC
East Town Cedar	CLW	5,805	0	0	\$ 2,577,538.50	\$ 2,577,538.50	\$444.02	IFG Timber LLC
North Petri Cedar	CLW	4,025	0	0	\$ 1,646,403.50	\$ 2,180,468.00	\$541.73	Stella Jones Corp
Sunset Salvage	POL	455	0	0	\$ 125,360.50	\$ 142,415.00	\$313.00	Northwoods Forestry LLC
Northface Cedar	PL	4,450	0	0	\$ 1,758,704.50	\$ 2,028,420.00	\$455.82	Alta Forest Products
Bonner Jams	CLW	5,105	0	0	\$ 870,361.00	\$ 870,361.00	\$170.49	IFG Timber LLC
Endowment		28,740	0	0	\$8,719,639.00	\$10,132,523.50	\$352.56	

PROPOSED TIMBER SALES FOR AUCTION

Sale Name	Volume MBF	Advertised Net Value	Area	Scheduled Auction Date
North Operations				
Caesar Ton	4,490	\$ 873,474.10	POL	11/4/2025
Never Summer	5,695	\$ 952,759.50	POL	11/4/2025
Ramskull GNA	16,035	\$ 3,177,474.00	IPNF	11/18/2025
Strong 15	4,075	\$ 1,432,124.50	POL	11/19/2025
Totals	30,295	\$ 6,435,832.10		
South Operations				
Dixieland Delight GNA Ton	3,305	\$ 33,545.60	NCNF	11/6/2025
Maggies Back	6,300	\$ 1,016,255.00	MC	11/24/2025
Jeckyl & Hyde Cedar	2,200	\$ 1,060,760.50	MC	11/24/2025
Totals	11,805	\$ 2,110,561.10		

VOLUME UNDER CONTRACT as of October 31, 2025

	Public School	Pooled	Total	3 Year Avg.
Active Contracts			161	179
Total Residual MBF Equivalent	307,831	188,671	496,502	511,037
Estimated residual value	\$96,489,285	\$54,275,223	\$150,764,508	\$152,169,942
Residual Value (\$/MBF)	\$313.45	\$287.67	\$303.65	\$297.77

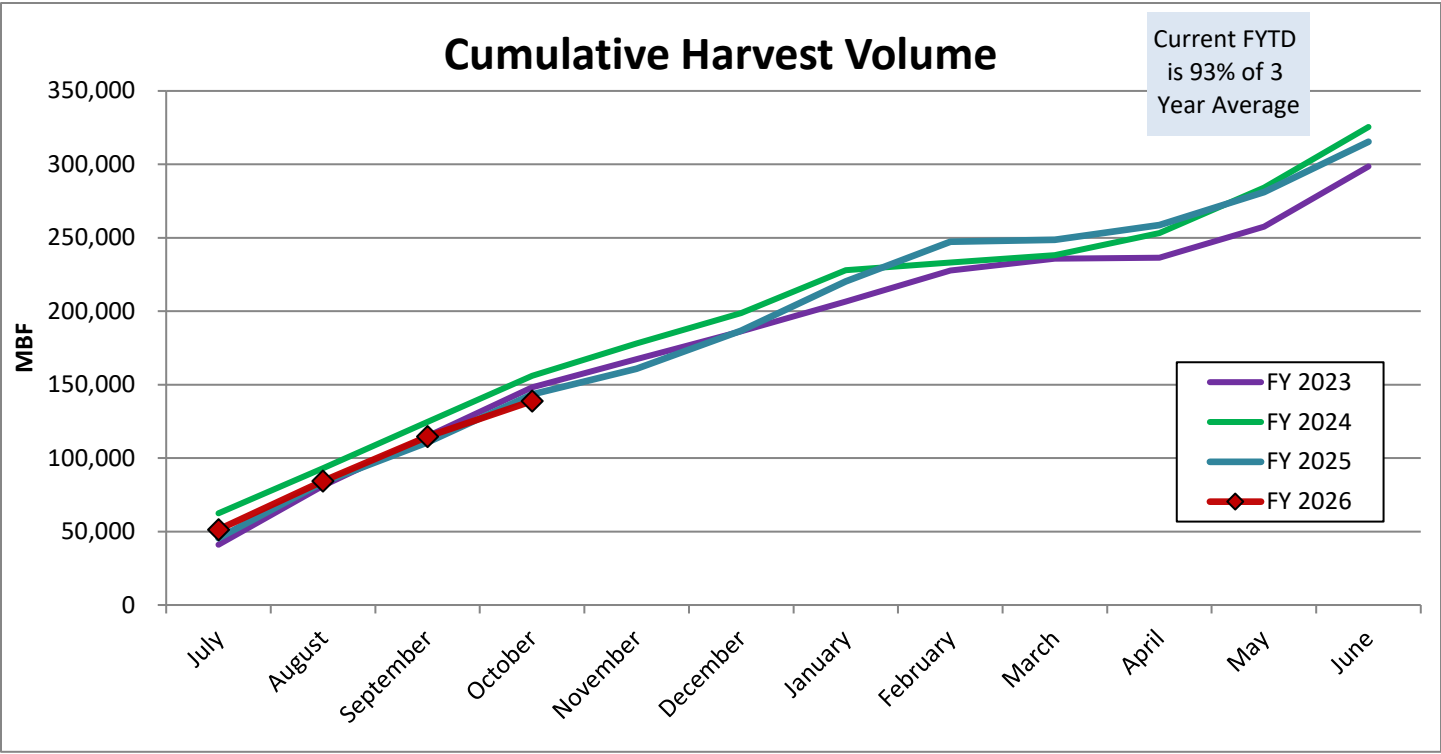
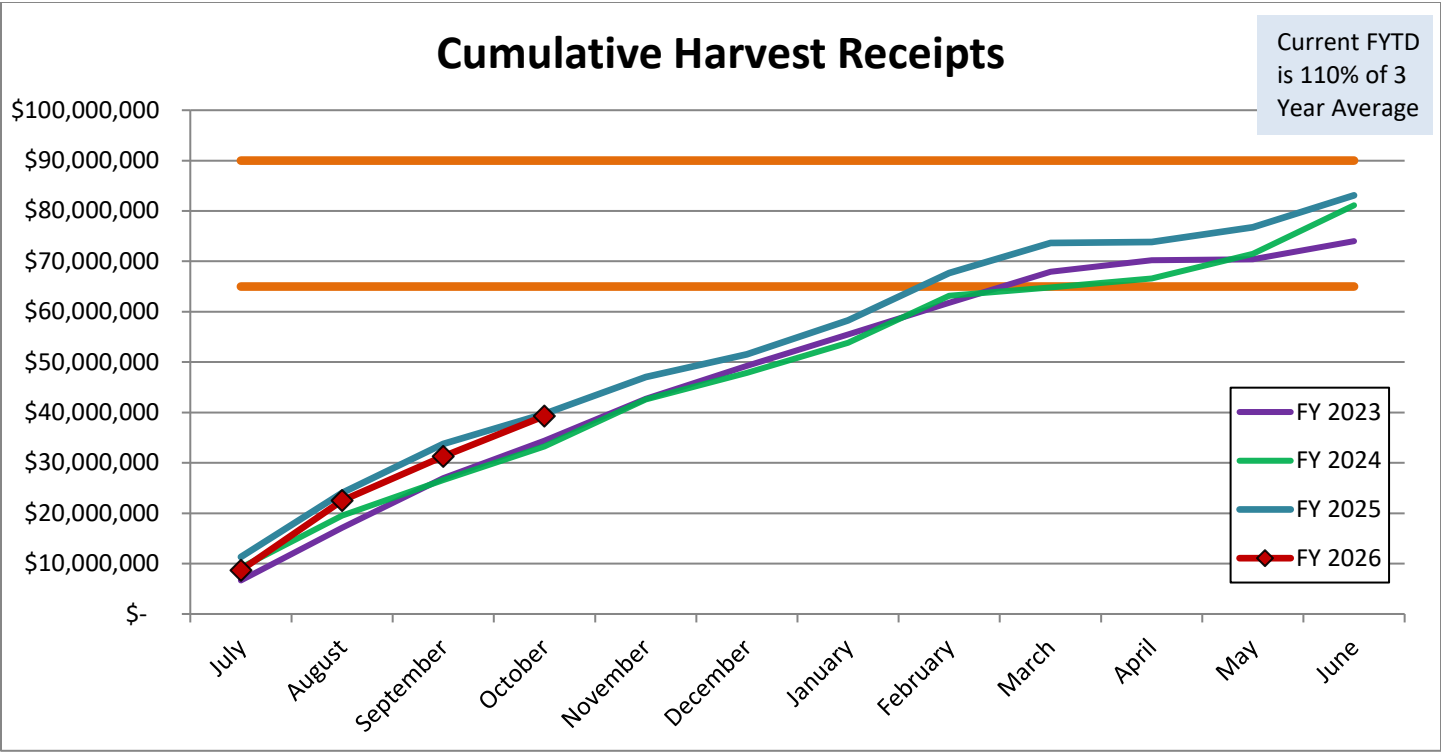
TIMBER HARVEST RECEIPTS

	OCTOBER		FY TO DATE	NOVEMBER PROJECTED	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 3,439,781.99	\$ 271,071.45	\$ 21,342,403.33	\$ 2,736,724.91	\$ 224,844.52
Pooled	\$ 4,114,324.79	\$ 215,073.86	\$ 16,496,914.95	\$ 3,381,858.24	\$ 202,437.67
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 7,554,106.78	\$ 486,145.31	\$37,839,318.28	\$6,118,583.15	\$ 427,282.19

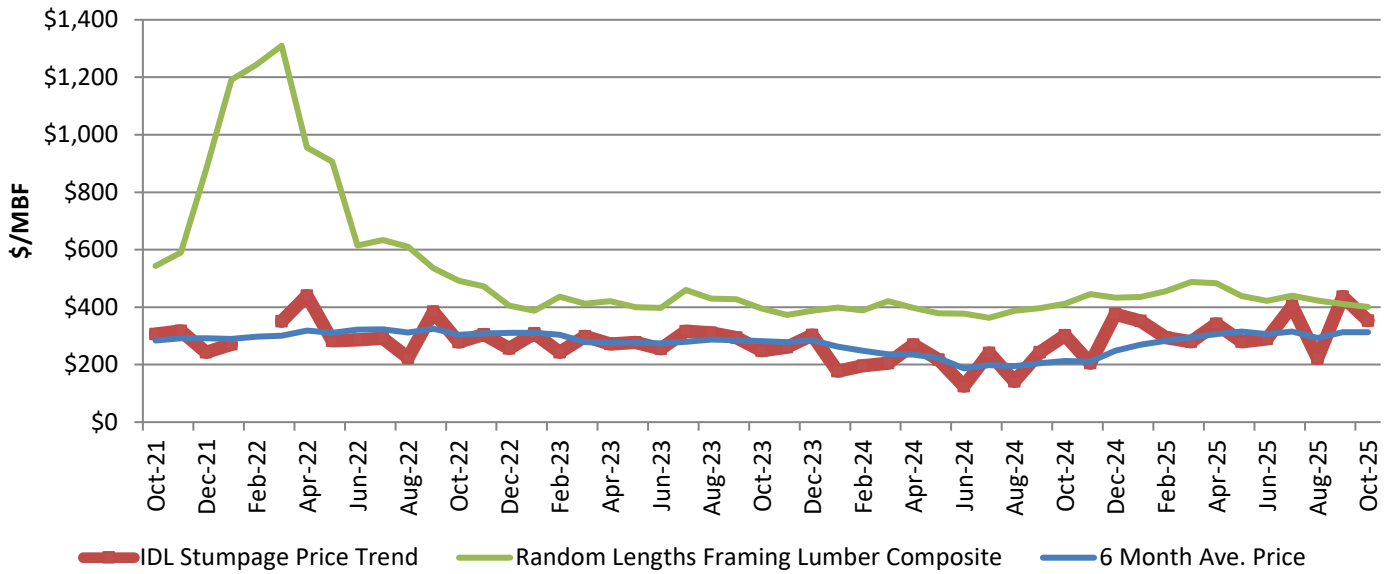
STATUS OF FY2026 TIMBER SALE PROGRAM

	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of Oct. 31, 2025	66,420	25,528	91,948	12,789	562	13,351
Currently Advertised	25,955	20,070	46,025	630	2,920	3,550
In Review	20,139	10,661	30,800	27	473	500
Did Not Sell*	0	0	0	0	0	0
TOTALS	112,514	56,259	168,773	13,446	3,955	17,401
FY2026 Sales Plan			333,000			20,000
Percent to Date			51%			87%

* After three attempts at auction.



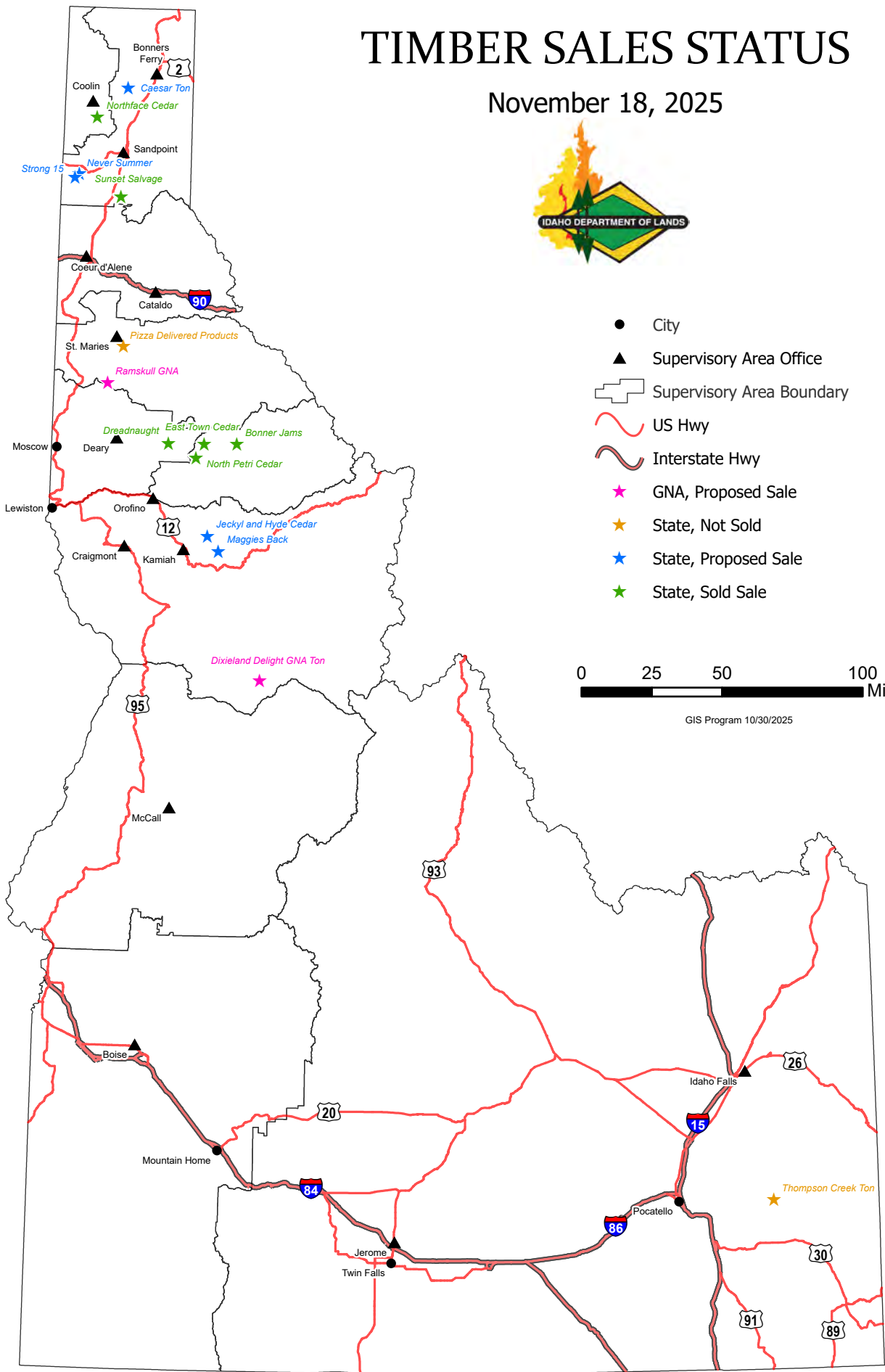
Monthly Lumber and Stumpage Prices and Six-Month Average Price Trends



October 2025 6-month average price is \$313.17.
 October 2024 6-month average price was \$213.04.

TIMBER SALES STATUS

November 18, 2025



STATE BOARD OF LAND COMMISSIONERS

November 18, 2025
Endowment Transactions

Leases and Permits

FISCAL YEAR 2026-LEASING & PERMITTING TRANSACTIONS BY MONTH through October 31, 2025													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture	1	-	-	-	-	-	-	-	-	-	-	-	1
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
Communication Sites	-	-	-	-	-	-	-	-	-	-	-	-	0
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
Grazing	6	1	1	-	-	-	-	-	-	-	-	-	8
Assignments	1	4	10	-	-	-	-	-	-	-	-	-	15
Residential	-	-	-	-	-	-	-	-	-	-	-	-	0
Assignments	-	-	1	-	-	-	-	-	-	-	-	-	1
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	-	-	-	-	-	-	0
Industrial	1	-	-	-	-	-	-	-	-	-	-	-	1
Military	-	-	-	-	-	-	-	-	-	-	-	-	0
Office/Retail	-	-	-	-	-	-	-	-	-	-	-	-	0
Recreation	2	-	-	-	-	-	-	-	-	-	-	-	2
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2	-	-	-	-	-	-	-	-	-	-	-	2
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
Non-Comm Recreation	-	-	1	-	-	-	-	-	-	-	-	-	1
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-	-	0
PERMITS													
Land Use Permits	3	6	9	3	-	-	-	-	-	-	-	-	21
TOTAL INSTRUMENTS	16	11	22	3	0	0	0	0	0	0	0	0	52

Real Estate

FISCAL YEAR 2026-REAL ESTATE TRANSACTIONS BY MONTH through October 31, 2025													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-	1	-	-	-	-	-	-	-	-	-	1
Deeds Granted	-	-	2	1	-	-	-	-	-	-	-	-	3
Deeds Granted - Surplus	-	-	-	-	-	-	-	-	-	-	-	-	0
Easements Granted	1	-	2	-	-	-	-	-	-	-	-	-	3
Easements Acquired	1	-	4	4	-	-	-	-	-	-	-	-	9
Easements Assigned	1	-	-	-	-	-	-	-	-	-	-	-	1
Notes : Cottage Site Deeds: 1 Site, Priest Lake 2025 Unleased Site (ULA) with cabin donation; Closed 10/28/2025: \$1,318,000 (endowment land) + \$191,000 (cabin) Total = \$1,509,000 Acquired Easements: AE700013, AE700014, AE700015 and AE700016 from BLM to IDL													

TRUST LAND MANAGEMENT DIVISION
FY2026 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through October 31, 2025

	REVENUE YTD AS OF 10.31.2025	REVENUE EXPECTED BY 10.31.2025*	REVENUE EXPECTED BY 06.30.2026
SURFACE			
AGRICULTURE	\$ 216,348	\$ 71,009	\$ 498,309
COMMUNICATION SITES	\$ 45,482	\$ -	\$ 1,150,000
GRAZING	\$ 172,670	\$ 47,026	\$ 2,344,734
RESIDENTIAL LEASES	\$ 25,702	\$ -	\$ 1,293,052
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 215,500	\$ -	\$ 421,000
COMMERCIAL INDUSTRIAL	\$ 3,250	\$ -	\$ 160,000
COMMERCIAL MILITARY	\$ 70,742	\$ -	\$ 125,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 124,122	\$ 100,000	\$ 1,050,000
COMMERCIAL RECREATION	\$ 632,995	\$ 640,000	\$ 1,250,000
OTHER			
CONSERVATION LEASES	\$ 500	\$ -	\$ 105,741
GEOTHERMAL	\$ 53,203	\$ 50,000	\$ 55,072
MINERAL LEASES	\$ 9,662	\$ 10,425	\$ 295,573
OIL AND GAS LEASES	\$ 118	\$ 263	\$ 4,148
Sub Total	\$ 1,570,294	\$ 918,723	\$ 8,752,628
REAL ESTATE SERVICES (ER)	\$ -	**	
Grand Total - Earnings Reserve	\$ 1,570,294		

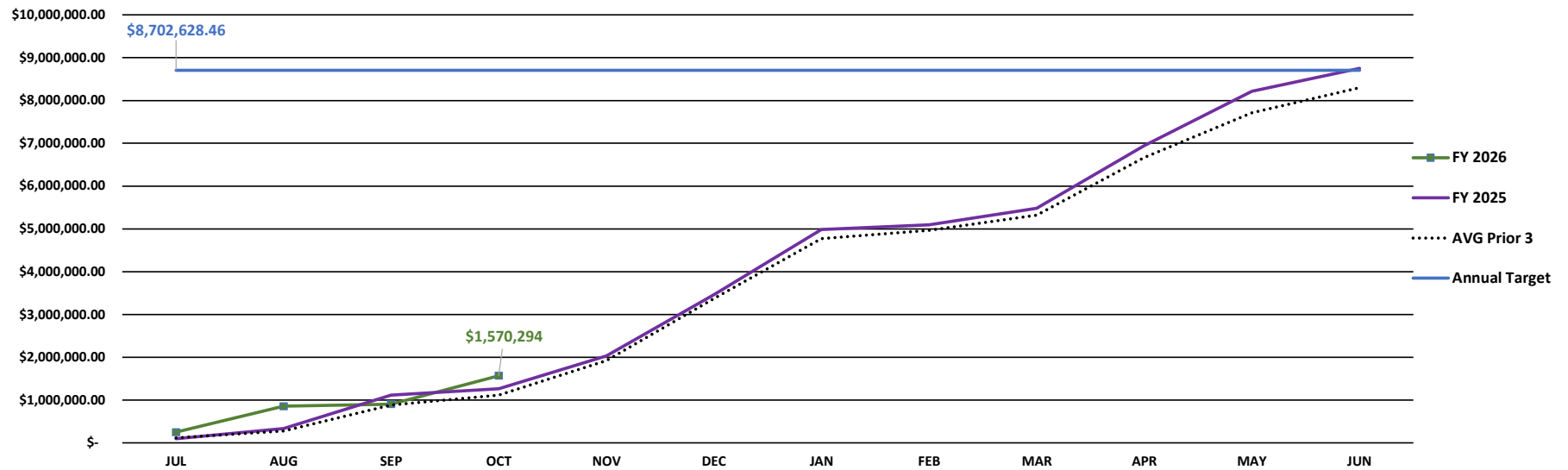
PERMANENT FUND REVENUE	
MINERALS (PF)	\$ 1,451,439 ***

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

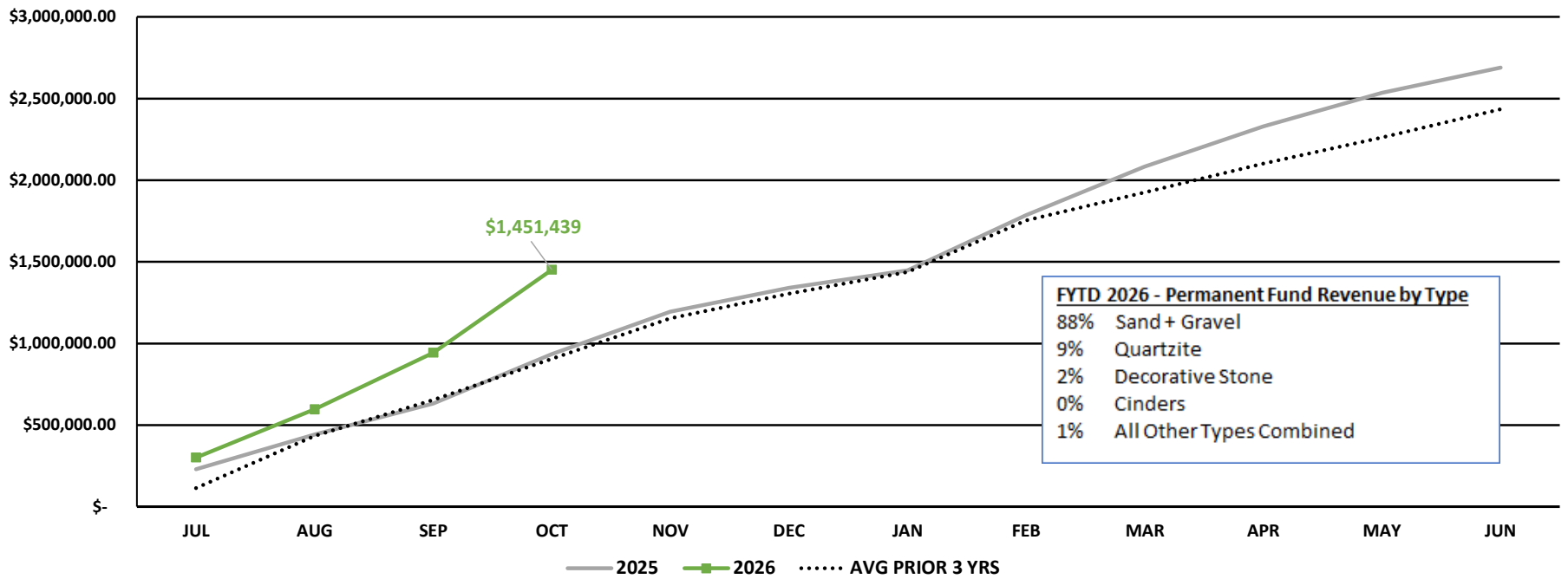
** This category is not included in the annual forecast.

***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
FYTD 2026



Trust Land Permanent Fund Revenue & Royalties (Excluding Land Bank and Timber Program) FYTD 2026



STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Department Report

Subject

Fire Season Update

Background

As of November 3, Emergency Fire Suppression expenditures are estimated to be \$59,282,500. The suppression account will recover an estimated \$18,680,000 of reimbursable costs, for a net obligation of \$40,602,500. The total obligation includes the 2025 contracted aircraft costs and prepositioned contract engines to assist with a lack of qualified engine bosses. These engines are assigned across the state to boost initial attack resources.

Discussion

As shown by the table below, fire occurrence to date for 2025 is 135 percent of the 20-year average and, while the acres burned is 20 percent of the 20-year average.

Fire Season Comparison to Date

Number and Size of Fires (Year to Date)

Year	Human	Lightning	Total	Acres
2021	237	154	391	141,981
2022	127	153	280	4,614
2023*	206	78	284	2,582
2024*	201	122	323	49,251
2025*	257	135	392	4,898
20-Yr. Average (2002-2022)			288	24,784

*2023–2025 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 in 20-year average.

Temperatures and precipitation are returning to seasonal norms; no significant fire danger and activity is expected.

There are no fire restrictions in place.

Total Acres Burned by Ownership as of 11/12/2025

Surface Owner	Acres
Bureau of Land Management	85,998
U.S. Forest Service	66,855
Other Federal	8,358
Tribal	1,257
Private	13,569
State Endowment	7,454
Other State	305
Other	185
Total Acres	183,981

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

Fire Deficiency Warrant Spending—2025 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	\$1,012,500	5 Type 6 Exclusive Use Contract Engines July 14-Sept. 15 (45 days guaranteed)
IDL Non-Team Fires	\$9,520,000	IDL/Assn fires including pre-positioning. Based on estimates and actuals.
IDL Team Fires	\$24,760,000	Nettleton Gulch (T3@MIS); Cherry (T3@PDS); Sunset (CIMT@POS)
Other Suppression/Non-reimbursable	\$1,810,000	Coeur d'Alene Cache: incoming and outgoing supplies not yet billed; Dispatch/Bureau cost when supporting multiple incidents.
Other Suppression/Reimbursable	\$18,680,000	Reimbursable—IDL and Fire Department resources supporting non-IDL fires.
Total Estimate YTD	\$59,282,500	

Suppression Spending History

Fire Season Estimated Costs from Annual Reports

Year	Idaho Fire Suppression Costs	Reimbursable	Idaho Obligation
2021	\$ 74,600,000	\$ 7,200,000	\$ 67,400,000
2022	\$ 25,700,000	\$ 8,560,000	\$ 17,140,000
2023	\$ 22,060,500	\$ 4,683,000	\$ 17,377,500
2024	\$ 62,333,000	\$ 10,836,000	\$ 51,497,500
2025*	\$ 59,282,500	\$ 18,680,000	\$ 40,602,500

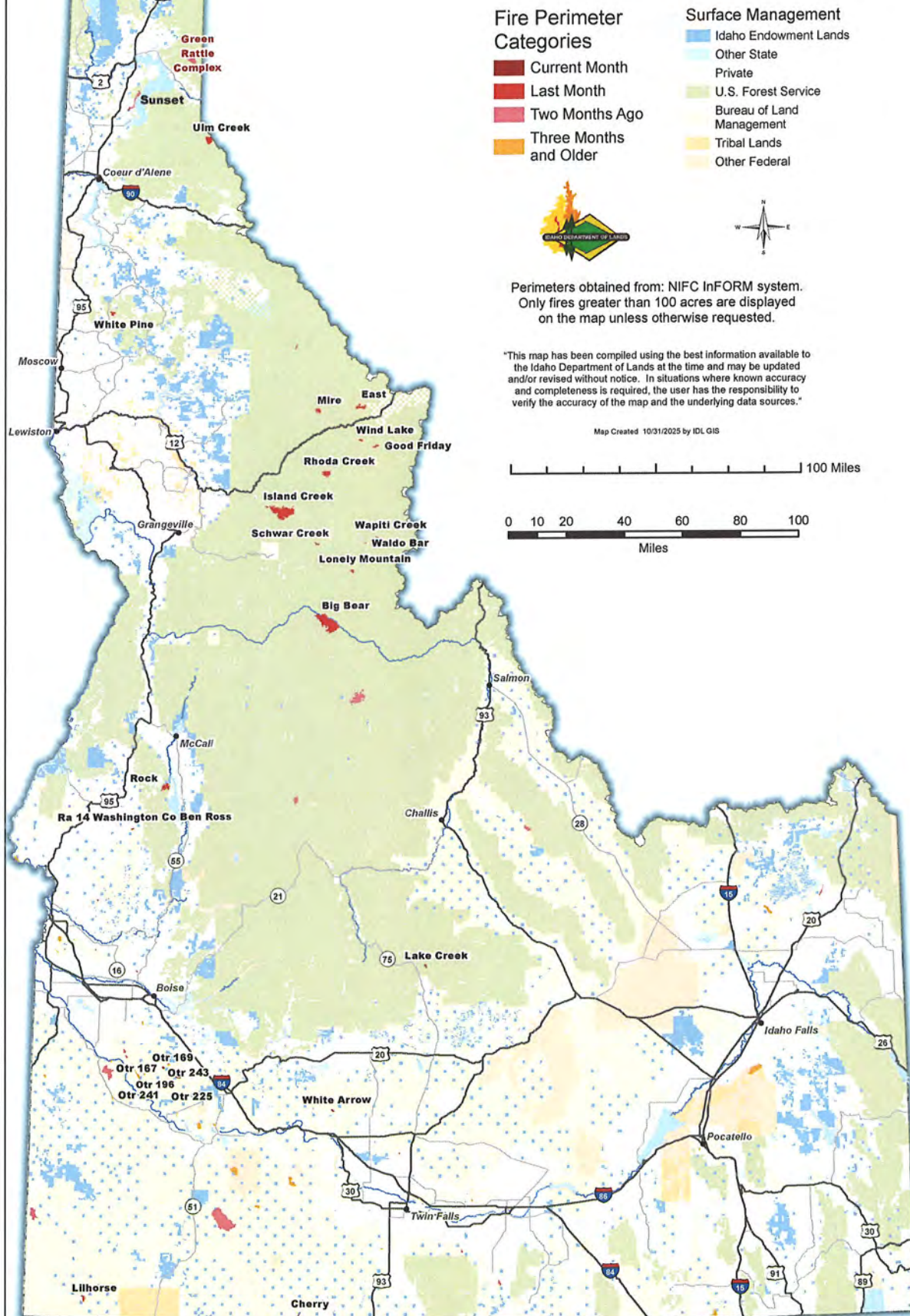
*Numbers for 2025 are YTD.

Attachments

1. Map—Wildland Fires

2025 Wildland Fires in Idaho

10/31/2025



LAND BANK AGING REPORT							
Current Remaining Principal Balance By Quarter Received - As of September 30, 2025							
FY Quarter IN	Public School	Agriculture College	Normal Schools	State Hospital South	University of Idaho	All Endowments	FY Quarter EXPIRES
2022-01	\$ 784,215	\$ -	\$ -	\$ -	\$ -	\$ 784,215	2027-01
2022-02	\$ 10,140,720	\$ -	\$ -	\$ -	\$ -	\$ 10,140,720	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
2025-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2030-01
2025-02	\$ 10,249,720	\$ -	\$ 450,000	\$ 5,563,000	\$ -	\$ 16,262,720	2030-02
2025-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2030-03
2025-04	\$ 1,155,000	\$ -	\$ -	\$ -	\$ -	\$ 1,155,000	2030-04
2026-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2031-01
TOTAL PRINCIPAL REMAINING	\$ 66,098,975	\$ -	\$ 450,000	\$ 5,995,187	\$ -	\$ 72,544,162	

LAND BANK CASH BALANCE (with Interest)	\$ 70,095,815	\$ 5	\$ 477,451	\$ 6,229,897	\$ -	\$ 76,803,168
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Annual Report to the Board of Land Commissioners



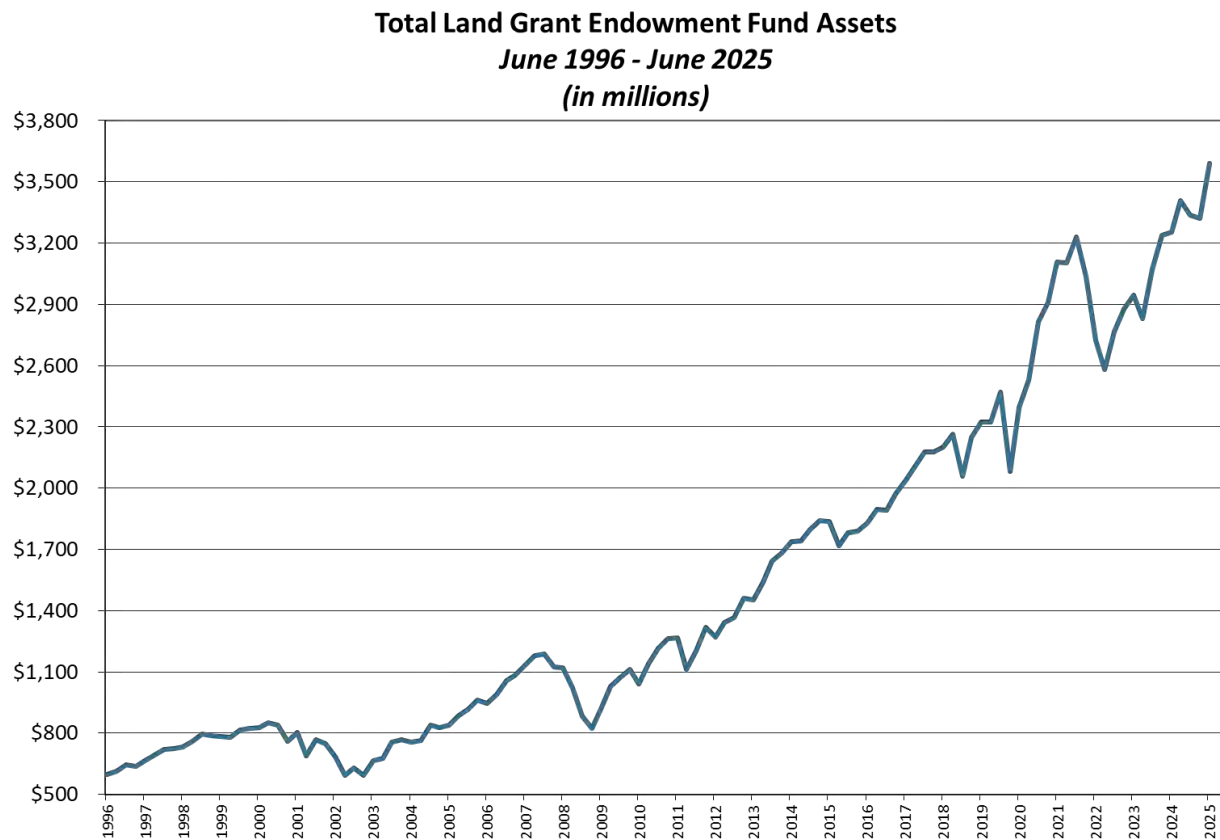
November 18, 2025

SUMMARY OF RESULTS

The Endowment Fund grew by 10.3% or \$334.7 million to \$3,588.7 million during the fiscal year ended June 30, 2025. Earnings reserve levels were above target at fiscal year-end which enabled the Idaho Board of Land Commissioners to approve the transfer of \$206.4 million from earnings reserves into permanent funds. The Endowment Fund had investment gains of 11.7%, which ranked in the top 36th percentile in the Callan Public Fund Sponsor Database and over the last three years had average annual returns of 11.5%, which ranked in the top 21st percentile. Costs to manage the fund totaled \$11.8 million or 0.33% of assets. Net land revenue increased by 1.3% to \$61.6 million. Beneficiary distributions were \$103.2 million in fiscal year 2025 and the Land Board approved distributions of \$110.4 million in fiscal 2026 and \$117.3 million in fiscal 2027.

CHANGES IN FUND BALANCES

Changes in the fund balance of the Endowment Fund are the result of investment gains or losses in the Endowment Fund portfolio, revenue generated from land assets, beneficiary distributions and Department of Lands and Investment Management expenses. The Endowment Fund balance changed by \$334.7 million, \$307.4 million and \$223.0 million during the fiscal years ended June 30, 2025, 2024 and 2023, respectively. Fund balances totaled \$3,588.7 million, \$3,254.0 million and \$2,946.6 million as of June 30, 2025, 2024 and 2023, respectively.

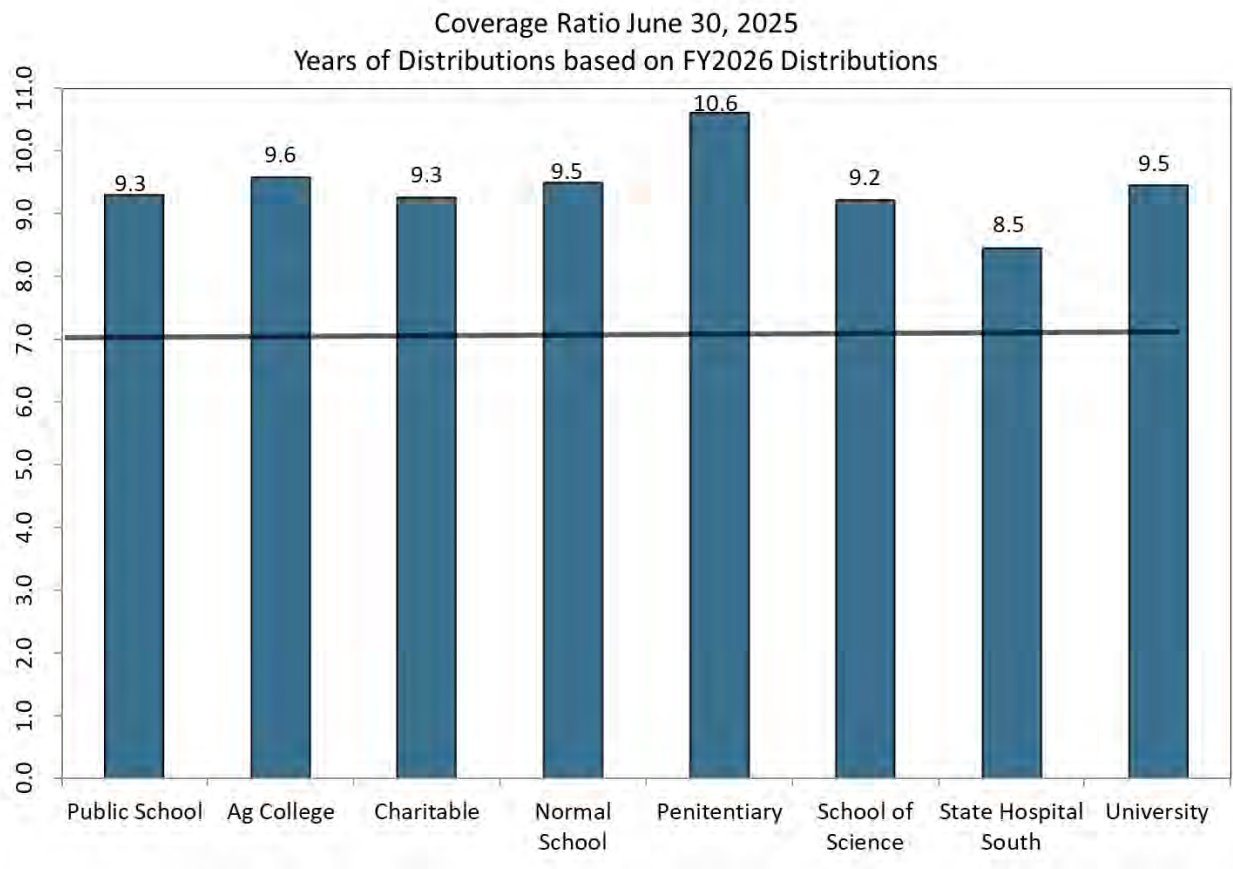


EARNINGS RESERVES

The Idaho State Board of Land Commissioners has established target earnings reserve levels for the Earnings Reserve Funds. The target earnings reserve levels equate to seven years of beneficiary distributions for Public Schools, Agricultural College, Charitable Institutions, Normal School, Penitentiary, School of Science, State Hospital South, and the University of Idaho. When earnings reserve levels exceed the target, excess amounts may be transferred from Earnings Reserve Funds into the corresponding Permanent Funds.

Total earnings reserve levels were \$1,045.9 million, \$921.8 million and \$719.9 million as of June 30, 2025, 2024 and 2023, respectively. As of June 30, 2025, the earnings reserve balances for all of the Endowment Funds were above target earnings reserve levels. In August of 2025, the Land Board approved the transfer of \$206.4 million from earning reserves into permanent funds to bring reserves to target levels.

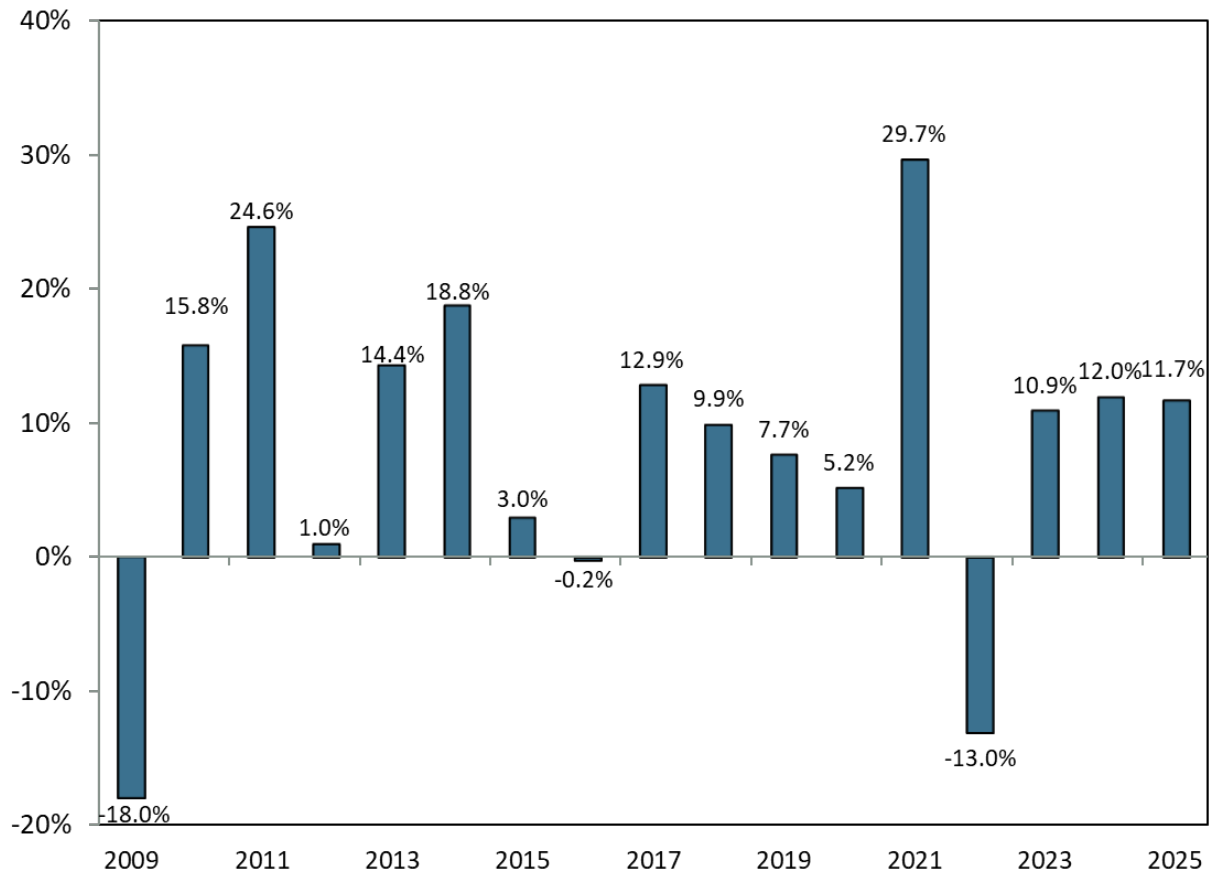
The table below highlights the earnings reserve levels expressed in years of distributions for each beneficiary prior to transfers to permanent funds.



INVESTMENT RESULTS

The Endowment Fund portfolio generated investment returns before fees of 11.7%, 12.0% and 10.9% in fiscal years end June 30, 2025, 2024 and 2023, respectively. The average annual investment returns were 11.7%, 11.5%, 9.4%, and 8.2% during the last one, three, five and ten-year periods. These investment returns ranked in the top 36th, 21st, 46th and 24th percentile in the Callan Public Fund Sponsor Database for the one, three, five and ten-year periods.

Annual Gross Fund Returns



Annualized Gross Fund Returns, Ending June 30, 2025					
	<u>FY 2025</u>	<u>3 Years</u>	<u>5 Years</u>	<u>7 Years</u>	<u>10 Years</u>
Total Fund	11.7%	11.5%	9.4%	8.5%	8.2%
<i>Benchmark (38% Russell 3000, 19% ACWI ex-US, 9% ACWI, 10% ODCE, 24% BBC Aggregate)</i>	<i>12.3%</i>	<i>11.6%</i>	<i>9.2%</i>	<i>8.3%</i>	<i>8.0%</i>
Total Equity	15.2%	17.3%	14.1%	11.7%	11.0%
Domestic Equity	11.8%	17.3%	14.8%	12.4%	12.2%
Large Cap.	13.9%	19.4%	15.6%	13.1%	12.8%
Mid Cap.	9.8%	13.8%	14.2%	12.0%	11.5%
Small Cap.	2.4%	10.6%	10.6%	8.1%	9.5%
International Equity	24.4%	18.0%	13.2%	10.5%	9.0%
Global Equity	12.6%	16.4%	13.0%	11.5%	9.8%
<i>MSCI ACWI Index</i>	<i>16.2%</i>	<i>17.3%</i>	<i>13.7%</i>	<i>10.8%</i>	<i>10.0%</i>
Total Real Estate	2.1%	-4.5%	1.9%	3.1%	
<i>NCREIF ODCE Index</i>	<i>2.0%</i>	<i>-4.3%</i>	<i>2.9%</i>	<i>3.8%</i>	
Total Fixed Income	6.5%	3.0%	0.1%	2.1%	2.0%
<i>Fixed-Income Benchmark (BBC U.S. Aggregate)</i>	<i>6.1%</i>	<i>2.5%</i>	<i>-0.7%</i>	<i>1.8%</i>	<i>1.8%</i>

ASSET ALLOCATION

The target asset allocation for the Endowment Fund portfolio is 66% equity, 24% fixed income, and 10% real estate. The equity portion of the portfolio currently includes 37% U.S. equity, 17% international equity and 12% global equity. The fixed income portion of the portfolio includes 11% in the Bloomberg Barclay's Aggregate Index and 13% in an actively managed core plus strategies. The real estate portion of the portfolio is invested in private core real estate strategies.

INVESTMENT MANAGEMENT

The EFIB engages the services of an investment consultant who acts as an independent fiduciary and provides advice in areas such as investment policies and guidelines, asset allocation strategies, portfolio risk/return modeling and hiring and monitoring of investment managers. Callan has served as EFIB's investment consultant since 2007. They were reappointed in 2019 after a national consultant search.

The EFIB engages investment managers who are given full discretion to make investment decisions subject to policies and guidelines specific to the investment strategy they are managing. As of June 30, 2025, the EFIB engaged seventeen investment managers including Barrow Hanley, Boston Partners, CBRE Investment Management, Dodge & Cox, DoubleLine Capital, DWS, Northern Trust Investments, PineStone Asset Management, Schroders, State Street Global Advisors, Sycamore/Victory Capital, TimesSquare Capital Management, UBS Realty Investors, WCM Investment Management, Wellington, Westfield, and William Blair.

The EFIB engages Northern Trust Company for custodial services. Northern Trust Company is responsible for the safekeeping of assets, trade settlement, accounting, security valuation, investment performance reporting and proxy voting.

COST OF INVESTMENT MANAGEMENT

The cost for investment management was \$11.8 million, \$11.1 million and \$11.4 million in fiscal years 2025, 2024 and 2023, respectively. Investment management expenses as a percentage of year-end Endowment Fund balances equates to 0.33%, 0.34% and 0.39% in fiscal years 2025, 2024 and 2023, respectively. The table below provides a breakdown of investment management expenses.

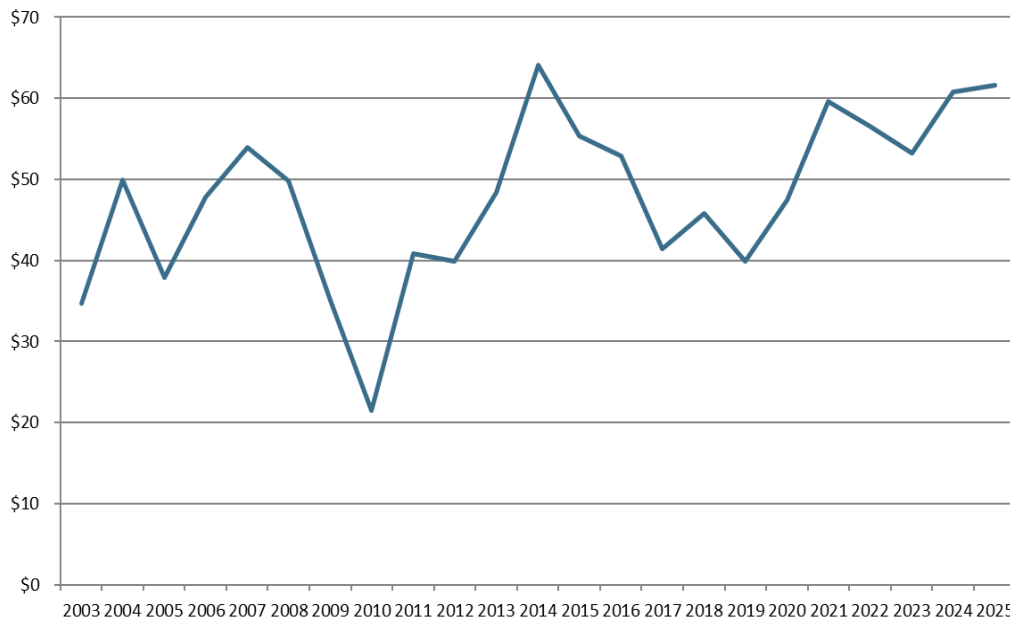
Cost of Investment Management

Investment Management Operating Costs	2025	2024	2023
Internal Investment Costs	\$ 652,376	\$ 645,655	\$ 605,128
Outside investment manager and legal fees	9,767,541	9,266,676	9,538,882
Custody Expense	734,125	1,012,950	977,025
Consultant and auditor fees	295,802	284,412	269,620
Total expenditures	11,449,844	11,209,693	11,390,656
Change in Manager Fee Accrual	317,751	(68,968)	32,183
Total Accrual Basis Expense	\$ 11,767,595	\$ 11,140,725	\$11,422,839

NET LAND REVENUE

Net land revenue (land revenue less Department of Lands expenses) totaled \$61.6 million, \$60.8 million and \$53.2 million in fiscal years 2025, 2024 and 2023, respectively.

Net Land Revenue for Earnings Reserves (in \$ millions)



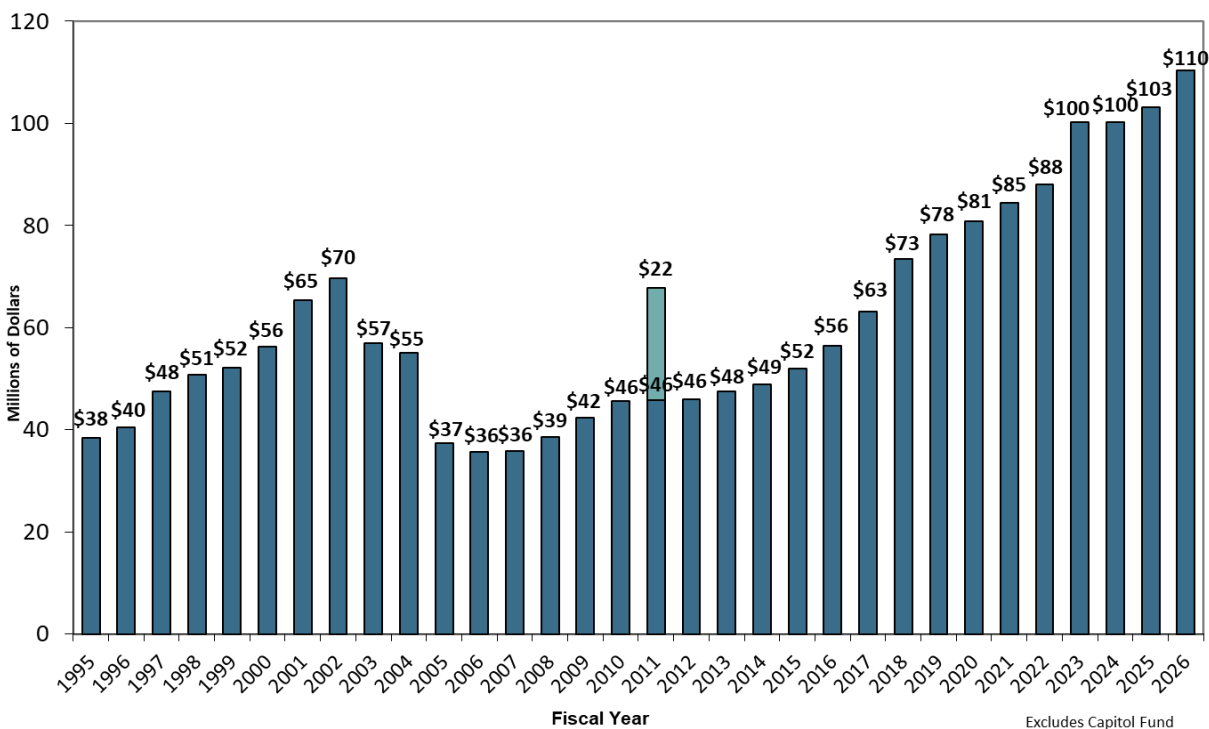
BENEFICIARY DISTRIBUTIONS

The Endowment Fund exists to provide distributions to beneficiaries in perpetuity. For all endowments, except Capitol Permanent, the Idaho State Board of Land Commissioners has established a beneficiary distribution policy. The current policy provides for annual distributions at a rate of 5% of the three-year moving average of the Permanent Fund balance (with the exception of State Hospital South which is 7%) and allows for adjustments to distributions based on factors including the level of Earnings Reserve Funds and transfers to the Permanent Funds.

Distributions to land-grant beneficiaries totaled \$103.2 million, \$100.3 million and \$100.3 million in fiscal years 2025, 2024 and 2023, respectively. The Board of Land Commissioners approved distributions of \$110.4 million and \$117.3 million in fiscal years 2026 and 2027, respectively. The table below provides a history of land-grant beneficiary distributions.

Beneficiary Distributions 1995-2026

(includes special Public School distribution in 2011 of \$22M)



On July 1, 2004, the Capitol Permanent Fund was pooled with the Endowment Fund for investment purposes. Additions to the Capitol Permanent Fund include revenue from timber lands, license plate royalties, and investment income. The EFIB authorizes distributions from the Capitol Permanent Fund to the Capitol Maintenance Reserve Fund. Distributions from the Capitol Permanent Fund to the Capitol Maintenance Reserve Fund totaled \$1.95 million, \$1.87 million and \$1.83 million in fiscal years 2025, 2024

and 2023, respectively. Distributions from the Capitol Maintenance Reserve Fund are determined by the Capitol Commission, subject to legislative appropriation. Distributions from the Capitol Maintenance Reserve Fund to the Capitol Commission were \$250,000, \$250,000, and \$1,021,819 in fiscal years 2025, 2024 and 2023, respectively.

CREDIT ENHANCEMENT PROGRAM

On July 1, 2002, the State of Idaho's Credit Enhancement Program for school district bond financing was established. This program, in accordance with Idaho Code Section 57-728 and in conjunction with Idaho Code Chapter 53, Title 33, requires the Public School Endowment Fund to purchase up to \$300 million in notes of the State that may be issued to avoid default on school district bonds. This credit enhancement allows eligible voter-approved school bonds to be issued with AAA ratings, which until recently has been above the State's credit rating. The enhanced credit rating historically resulted in lower borrowing costs for Idaho school districts. EFIB has committed to provide credit enhancement on up to \$1.2 billion in school bonds, with a limit of \$40 million per school district. There were \$464.3 million, \$521.2 million, and \$538.9 million in bonds guaranteed by the Credit Enhancement Program as of June 30, 2025, 2024 and 2023, respectively.

RISKS

The Endowment Fund is aware that macroeconomic and geopolitical risks broadly affect financial markets, and it works closely with its consultant and investment managers to monitor important trends and address risks assumed in the portfolio. It also recognizes the recent escalation of cyber security risk and consistently reviews and monitors best practices used to mitigate these risks.



State of Idaho Endowment Fund

REPORT OF
INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Administered by the Endowment Fund Investment Board



TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-13
FINANCIAL STATEMENTS	
Governmental Balance Sheets	14
Governmental Statements of Revenues, Expenditures and Changes in Governmental Fund Balances	15
Notes to Financial Statements	16-36
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	37-38
SUPPLEMENTARY SCHEDULES	
Supplementary Schedules of Fund Balances by Endowment	39-42
OTHER INFORMATION	
Schedules of the Gain Benchmark	43-44



Independent Auditor's Report

To the Endowment Fund Investment Board
State of Idaho Endowment Fund
Boise, Idaho

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the State of Idaho Endowment Fund administered by the Endowment Fund Investment Board (the EFIB), a permanent fund of the State of Idaho, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the State of Idaho Endowment Fund as of June 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the State of Idaho Endowment Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the State of Idaho Endowment Fund, and do not purport to, and do not, present fairly the financial position of the State of Idaho, as of June 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Idaho Endowment Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the State of Idaho Endowment Fund's basic financial statements. The supplementary schedules of fund balance by endowment are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary schedules of fund balances by endowment are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of the gain benchmark but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2025, on our consideration of the State of Idaho Endowment Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Idaho Endowment Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Idaho Endowment Fund's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
August 19, 2025

The Management Discussion and Analysis highlights the financial performance of the State of Idaho Land Grant Endowment Fund ("Endowment Fund") for the fiscal years ended June 30, 2025, 2024 and 2023.

BACKGROUND

When Idaho became the 43rd state in 1890, the Congress of the United States endowed certain lands to be used to generate income for education and other important purposes. At statehood, 3.6 million acres of land were granted to the State of Idaho ("State") and 2.5 million acres remain. Proceeds from the sale of land and income generated by the land have accumulated in the Endowment Fund which provides financial support for its beneficiaries.

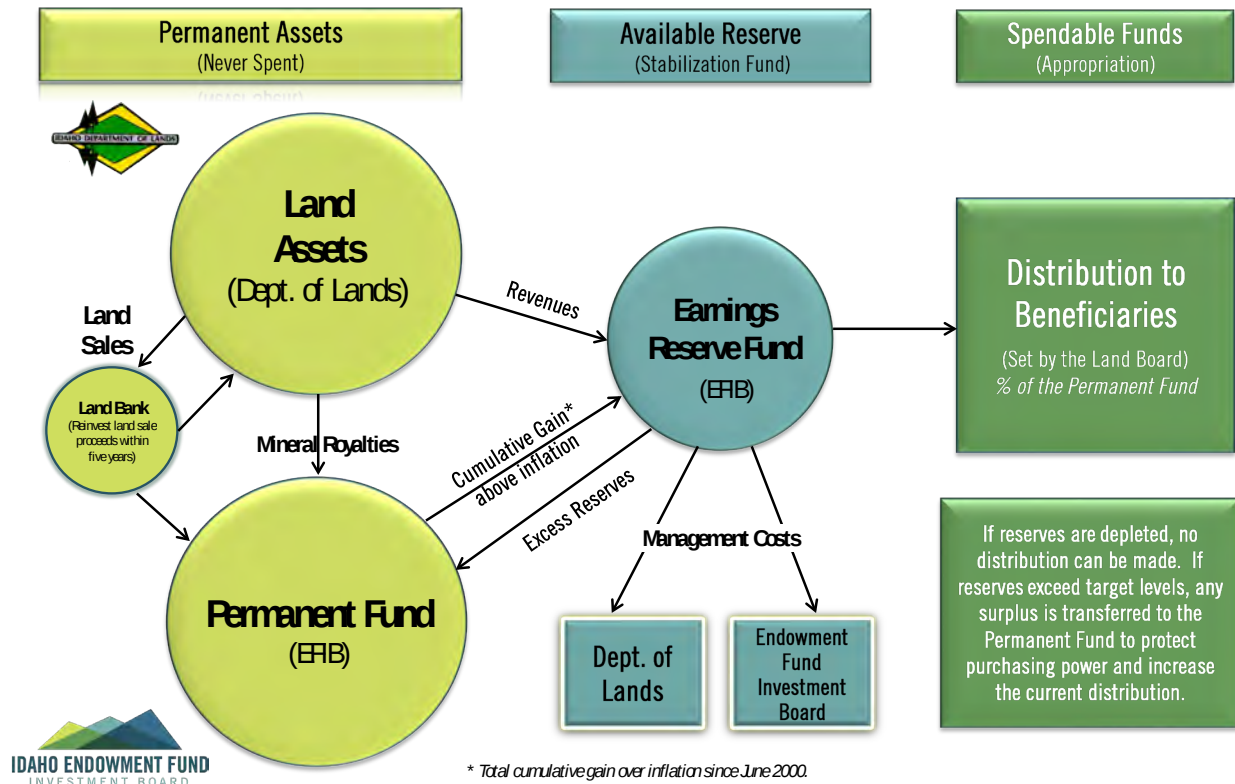
The Endowment Fund supports the following beneficiaries: Public Schools, University of Idaho Agricultural College, Charitable Institutions (Idaho State University, Juvenile Corrections Center, State Hospital North, Veterans' Home, School for the Deaf and Blind), Normal School (Idaho State University, Lewis-Clark State College), Penitentiary, University of Idaho School of Science, State Hospital South, University of Idaho and the Capitol Permanent Fund.

The Endowment Fund Investment Board ("EFIB") was created by the Idaho Legislature in 1969 and is charged with administration and investment management responsibilities for the Endowment Fund according to policies established by the Idaho State Board of Land Commissioners. In addition, EFIB provides investment management services for funds associated with other state agencies including SIF (formerly known as the State Insurance Fund), Idaho Department of Environmental Quality, Idaho Department of Fish and Game, Idaho State Parks & Recreation and the Idaho Department of Lands. Financial results related to non-Land Grant Endowment Funds are not included in these financial statements.

THE ENDOWMENT FUND STRUCTURE

The Endowment Fund is structured to include Permanent Funds and Earnings Reserve Funds for each beneficiary. Permanent Funds are to remain intact and grow at least at the rate of inflation. Under legislation passed by the Idaho Legislature in 1998, Earnings Reserve Funds were established to pay distributions to beneficiaries and cover expenses for the Idaho Department of Lands and EFIB. Most land revenue is considered an addition to the Earnings Reserve Funds, while distributions to beneficiaries and the payment of Idaho Department of Lands and EFIB expenses are considered depletions. Each June 30, the proportionate change in market value of the Endowment Fund portfolio is allocated to each endowment's Earnings Reserve Fund and gains up to the rate of inflation to each endowment's Permanent Fund. This allocation methodology is specified in Idaho Code Section 57-720 and reflected in the following table.

STRUCTURE OF IDAHO'S ENDOWMENT ASSETS

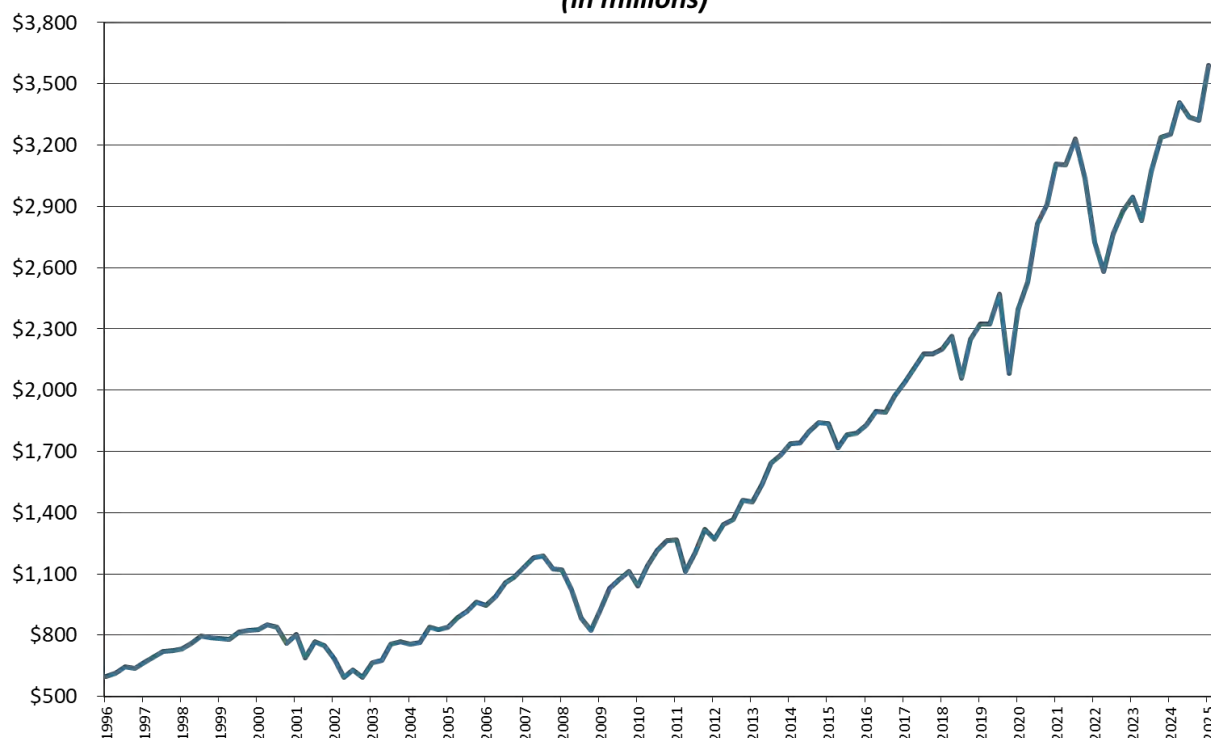


FINANCIAL HIGHLIGHTS:

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Total Land Grant Endowment Fund Assets
June 1996 - June 2025
(in millions)



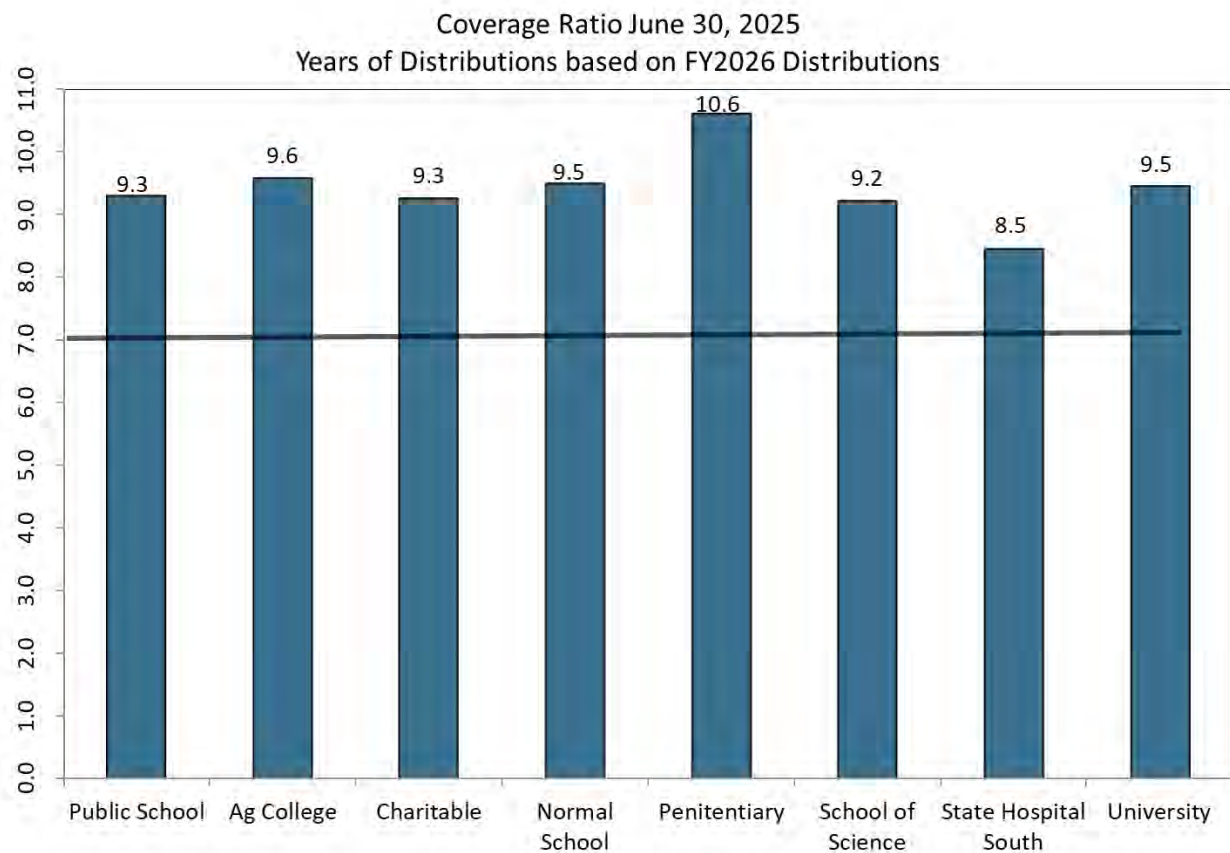
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Earnings Reserves cont.:

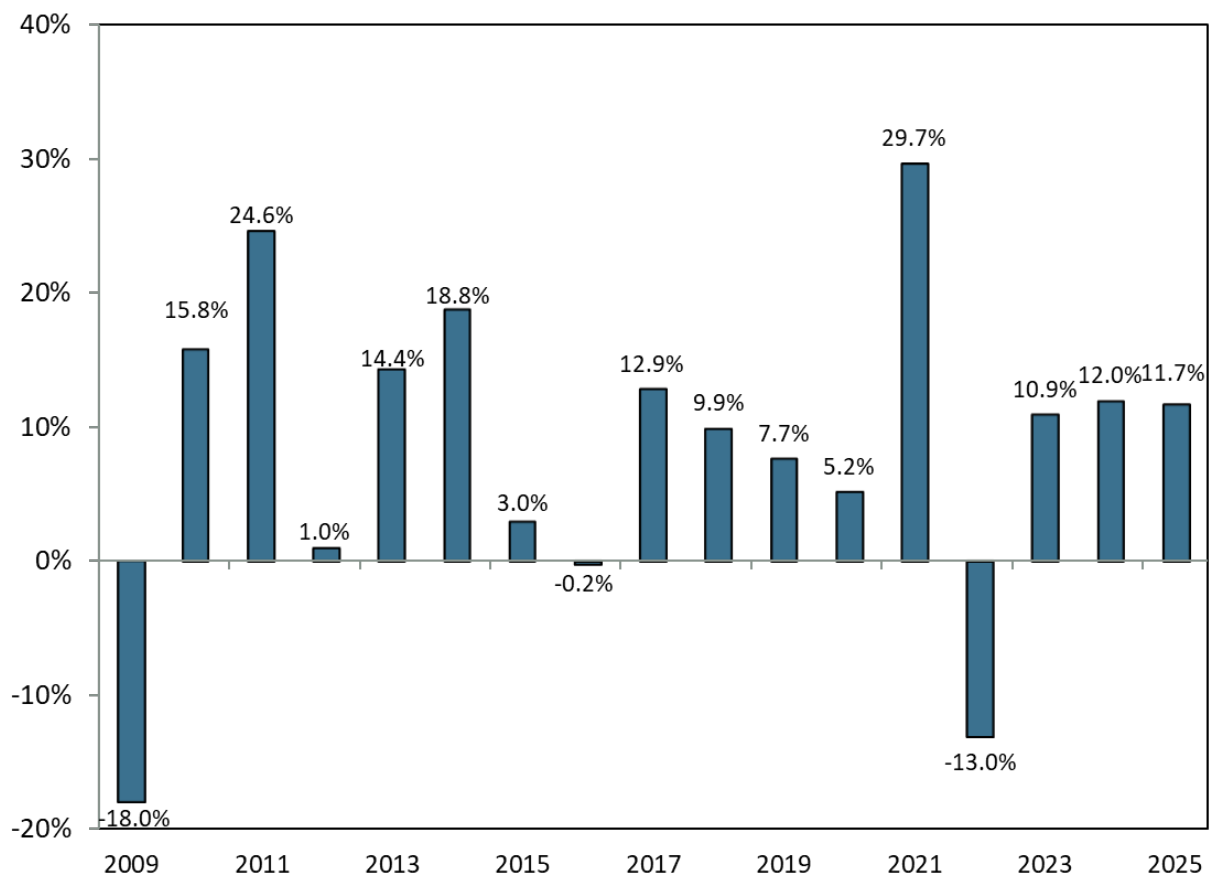
The table below highlights the earnings reserve levels expressed in years of distributions for each beneficiary.



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Annual Gross Fund Returns



Annualized Gross Fund Returns, Ending June 30, 2025

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COST OF INVESTMENT MANAGMENT

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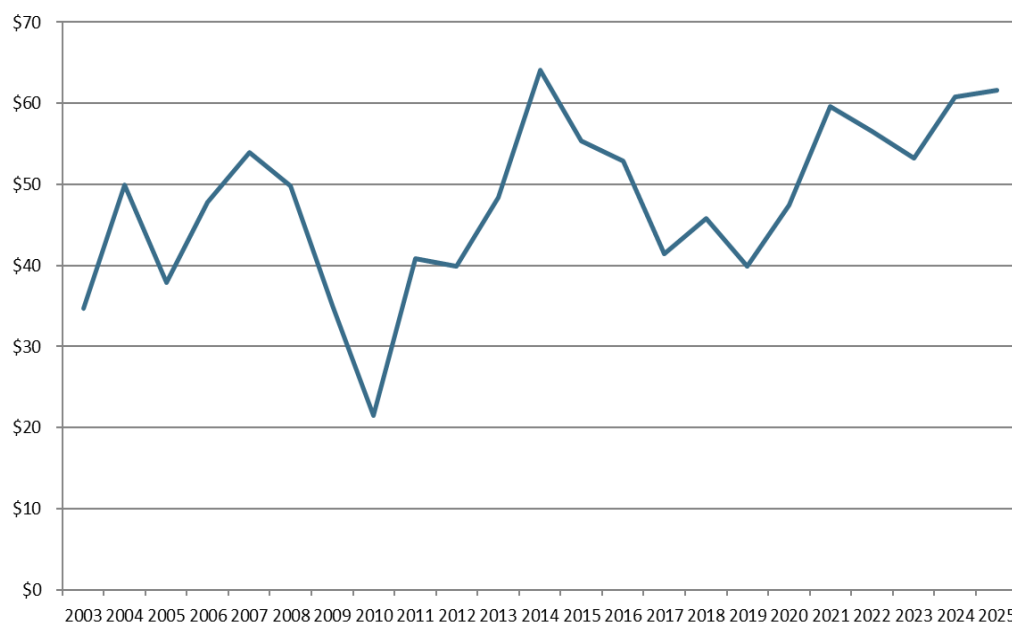
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Total Accrual Basis Expense	\$ 11,767,595	\$ 11,140,725	\$11,422,839

NET LAND REVENUE

Net land revenue (land revenue less Department of Lands expenses) totaled \$61.6 million, \$60.8 million and \$53.2 million in fiscal years 2025, 2024 and 2023, respectively.

Net Land Revenue for Earnings Reserves (in \$ millions)



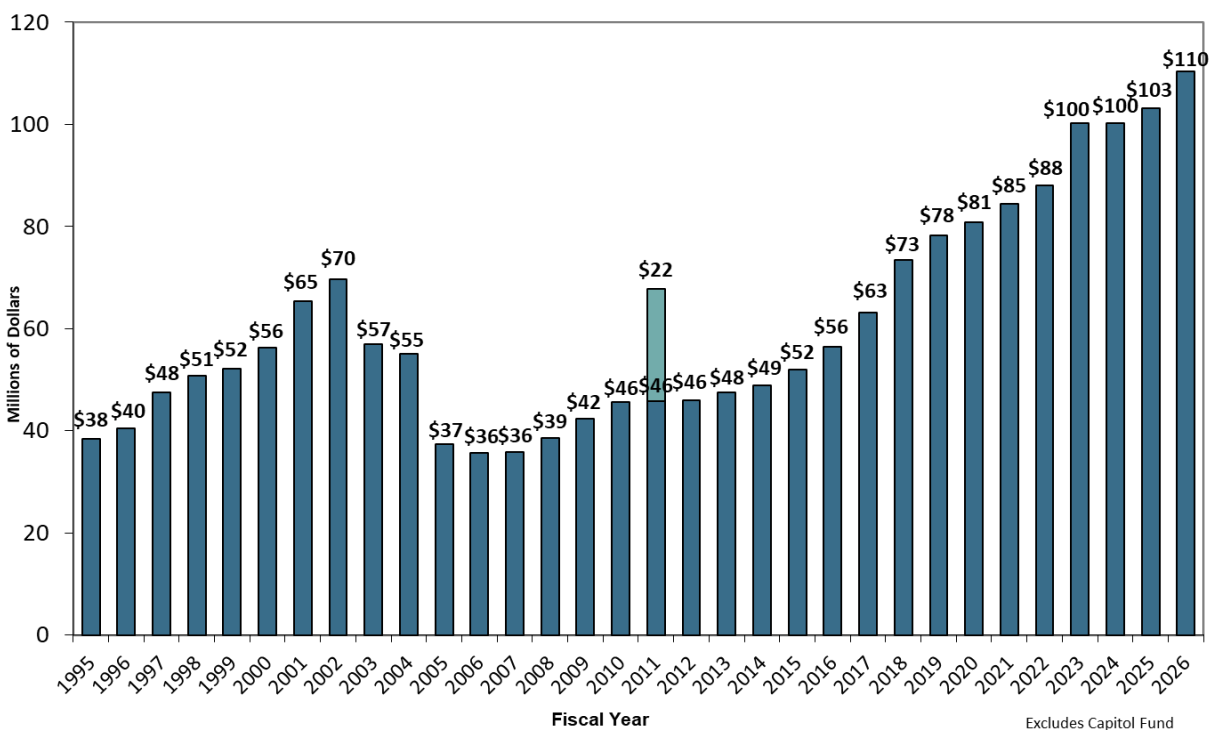
BENEFICIARY DISTRIBUTIONS

The Endowment Fund exists to provide distributions to beneficiaries in perpetuity. For all endowments, except Capitol Permanent, the Idaho State Board of Land Commissioners has established a beneficiary distribution policy. The current policy provides for annual distributions at a rate of 5% of the three-year moving average of the Permanent Fund balance (with the exception of State Hospital South which is 7%) and allows for adjustments to distributions based on factors including the level of Earnings Reserve Funds and transfers to the Permanent Funds.

Distributions to land-grant beneficiaries totaled \$103.2 million, \$100.3 million and \$100.3 million in fiscal years 2025, 2024 and 2023, respectively. The Board of Land Commissioners approved distributions of \$110.4 million and \$117.3 million in fiscal years 2026 and 2027, respectively. The table below provides a history of land-grant beneficiary distributions.

Beneficiary Distributions 1995-2026

(includes special Public School distribution in 2011 of \$22M)



On July 1, 2004, the Capitol Permanent Fund was pooled with the Endowment Fund for investment purposes. Additions to the Capitol Permanent Fund include revenue from timber lands, license plate royalties, and investment income. The EFIB authorizes distributions from the Capitol Permanent Fund to the Capitol Maintenance Reserve Fund. Distributions from the Capitol Permanent Fund to the Capitol

Maintenance Reserve Fund totaled \$1.95 million, \$1.87 million and \$1.83 million in fiscal years 2025, 2024 and 2023, respectively. Distributions from the Capitol Maintenance Reserve Fund are determined by the Capitol Commission, subject to legislative appropriation. Distributions from the Capitol Maintenance Reserve Fund to the Capitol Commission were \$250,000, \$250,000, and \$1,021,819 in fiscal years 2025, 2024 and 2023, respectively.

CREDIT ENHANCEMENT PROGRAM

On July 1, 2002, the State of Idaho's Credit Enhancement Program for school district bond financing was established. This program, in accordance with Idaho Code Section 57-728 and in conjunction with Idaho Code Chapter 53, Title 33, requires the Public School Endowment Fund to purchase up to \$300 million in notes of the State that may be issued to avoid default on school district bonds. This credit enhancement allows eligible voter-approved school bonds to be issued with AAA ratings, which until recently has been above the State's credit rating. The enhanced credit rating historically resulted in lower borrowing costs for Idaho school districts. EFIB has committed to provide credit enhancement on up to \$1.2 billion in school bonds, with a limit of \$40 million per school district. There were \$464.3 million, \$521.2 million, and \$538.9 million in bonds guaranteed by the Credit Enhancement Program as of June 30, 2025, 2024 and 2023, respectively.

RISKS

The Endowment Fund is aware that macroeconomic and geopolitical risks broadly affect financial markets, and it works closely with its consultant and investment managers to monitor important trends and address risks assumed in the portfolio. It also recognizes the recent escalation of cyber security risk and consistently reviews and monitors best practices used to mitigate these risks.

USING THIS ANNUAL REPORT

The annual report consists of the independent auditors' report, financial statements, notes to the financial statements, supplementary information and other information. The financial statements, notes to the financial statements and supplementary schedules are prepared by the EFIB staff and are intended to give the reader a complete understanding of the Endowment Fund. The financial statements consist of the Governmental Balance Sheets and the Governmental Statements of Revenues, Expenditures and Changes in Governmental Fund Balances. The notes to the financial statements are an integral part of the financial statements and provide additional information on the Endowment Fund and its operations.

**STATE OF IDAHO ENDOWMENT FUND
GOVERNMENTAL BALANCE SHEETS
JUNE 30, 2025 AND 2024**



	2025	2024
Assets:		
Investments, at Fair Value	\$ 3,574,170,496	\$ 3,252,367,492
Receivable for Unsettled Trades	6,270,300	42,807,567
Receivable From Idaho Department of Lands	2,063,550	4,118,934
Accrued Interest and Dividends Receivable	10,516,858	9,210,941
Prepaid Expenses to the Department of Lands	10,740,196	6,321,575
Total Assets	\$ 3,603,761,400	\$ 3,314,826,509
Liabilities:		
Payable for Unsettled Trades	\$ 12,335,506	\$ 58,411,757
Investment Manager Expenses Payable	2,755,286	2,412,053
Total Liabilities	15,090,792	60,823,810
Fund Balances:		
Nonspendable - Permanent Funds	2,542,791,593	2,332,223,197
Restricted - Earnings Reserve Funds	1,045,879,015	921,779,502
Total Fund Balances	3,588,670,608	3,254,002,699
Total Liabilities and Fund Balances	\$ 3,603,761,400	\$ 3,314,826,509

See Notes to Financial Statements

**STATE OF IDAHO ENDOWMENT FUND
GOVERNMENTAL STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN GOVERNMENTAL FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**



Revenues:	<u>2025</u>	<u>2024</u>
Receipts from the Department of Lands		
Permanent Receipts	\$ 13,956,522	\$ 2,666,347
Earnings Reserve Receipts	90,744,435	91,706,237
Net Income from Investments	374,361,938	355,605,148
Total Revenues	<u>479,062,895</u>	<u>449,977,732</u>
Expenditures:		
Department of Lands	29,155,791	30,871,403
Investment Management	11,767,595	11,140,725
Total Expenditures	<u>40,923,386</u>	<u>42,012,128</u>
Revenues Over Expenditures	438,139,509	407,965,604
Other Financing Uses		
Distributions to Beneficiaries	103,471,600	100,565,000
Net Increase in Fund Balance	<u>334,667,909</u>	<u>307,400,604</u>
Fund Balance - Beginning of Year	3,254,002,699	2,946,602,095
Fund Balance - End of Year	<u>\$ 3,588,670,608</u>	<u>\$ 3,254,002,699</u>

See Notes to Financial Statements

NOTE 1 - GENERAL DESCRIPTION OF THE FUND

The Endowment Fund Investment Board (the EFIB) is charged with administration and investment management responsibilities for the State of Idaho Endowment Fund (the "Endowment Fund"), which is comprised of Permanent and Earnings Reserve Funds for state beneficiaries including Public School, Agricultural College, Charitable Institutions, Normal School, Penitentiary, School of Science, State Hospital South, and the University of Idaho, as well as the Capitol Permanent Fund and Capitol Maintenance Reserve Fund.

The Endowment Fund is part of the State of Idaho's financial reporting and is included in the State's Annual Comprehensive Financial Report (ACFR). The Endowment Fund is invested according to investment policies recommended by the EFIB Board and established by the Idaho State Board of Land Commissioners.

The EFIB has no control over assets held by the Idaho Department of Lands (IDL); therefore, the EFIB gives accounting recognition only when transactions related to endowment land assets are completed by IDL.

Endowment Fund Investment Reform Legislation

On July 1, 2000, the EFIB significantly changed operations and reporting of the Endowment Fund, under legislation enacted by the Idaho Legislature in 1998.

The legislation provides that:

- (1) The EFIB, as trustees, will control, manage and invest the Endowment Fund according to policies established by the Idaho State Board of Land Commissioners.
- (2) The application of the Uniform Prudent Investor Act replaces the previous, more restrictive, investment criteria.
- (3) An Earnings Reserve Fund was established to create a buffer to preserve the Permanent Fund balances.
- (4) Administrative costs are to be paid from earnings of the Endowment Fund instead of from annual General Fund appropriations.
- (5) Distributions to beneficiaries are determined by the Idaho State Board of Land Commissioners and are to be paid from the Earnings Reserve Funds, which include investment earnings, net capital gains and certain receipts from IDL.

In March 2004, legislation was enacted which establishes an objective that the Permanent Funds of each endowment grow from June 2000 levels at least at the cumulative rate of inflation plus deposits. Further, it provides that any income and market appreciation of the Permanent Funds can only be transferred to the Earnings Reserve Funds if that objective has been achieved.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial statements include only the assets of the Endowment Fund Investment Board (EFIB) and conform to the accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The Endowment Fund is part of the State of Idaho reporting entity based on certain GASB criteria. These statements present only the Endowment Fund and are not intended to present the financial position and results of operations of the State of Idaho in conformity with generally accepted accounting principles in the United States of America.

Fund Accounting

The operations of the Endowment Fund are accounted for and reported as Non-spendable Permanent Fund and Restricted Earnings Reserve Fund as defined by GASB and uses the modified accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenditures are recognized when they are incurred. These statements report all activities of the Endowment Fund as a governmental type activity.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

According to policies established by the State Board of Land Commissioners, the EFIB is authorized to invest the Endowment Fund in certain fixed income, real estate and equity investments as defined by the investment policy of the EFIB and consistent with Idaho Code Section 57-723. This section states in part, "The EFIB and its investment manager(s) or custodian(s) shall be governed by the Idaho Uniform Prudent Investor Act (Chapter 5, Title 68, Idaho Code), and shall invest and manage the assets of the respective trusts in accordance with that act and the Idaho constitution." In accordance with this code section, the EFIB's investment policy, specifies that the Endowment Funds may be invested in equities (61% to 71% of the investment portfolio, with a target of 66%), fixed income (21% to 27% of the investment portfolio, with a target of 24%), and real estate (7% to 13% of the investment portfolio, with a target of 10%).

The following is a list of investments by asset class allowed by the general investment policy:

- (1) Cash Equivalents: Treasury bills; money market funds; STIF funds; commercial paper; banker's acceptances; repurchase agreements; certificates of deposit.
- (2) Fixed Income: U.S. government and agency securities; bank loans; corporate notes and bonds; residential mortgage backed bonds; commercial mortgage backed bonds; municipal bonds, infrastructure securities, USD and non-USD fixed income securities of foreign governments and corporations; planned amortization class collateralized mortgage obligations; or other "early tranche" CMO's; Sequential pay CMO's; collateralized loan obligations, asset backed securities; convertible notes and bonds; Securities defined under Rule 144A and Section 4(2) of Securities Act of 1933; or securities eligible for inclusion in the Bloomberg Barclays Aggregate Bond Index.
- (3) Equities: Common stocks; convertible preferred stocks; preferred stocks; REITS; American depository receipts (ADRs); stocks of non-U.S. companies (ordinary shares).
- (4) Real Estate: Domestic, private, open-end, core comingled funds, REITS.
- (5) ETFs, Mutual Funds and Collective Funds which invest in securities as allowed in this statement or as permitted in Investment Manager Guidelines. Investment managers will advise the MOI of their intent to utilize ETFs prior to their purchase, what specific ETFs they intend to use and the purposes they serve.
- (6) Futures, Options and Swaps: The EFIB may use financial index futures and options in order to adjust the overall effective asset allocation of the entire portfolio or it may use swaps, futures or options to hedge interest rate or currency exposure. For example, S&P 500 and 10-Year Treasury futures may be used to equitize idle cash and to passively rebalance the portfolio. Futures and options positions are not to be used for speculation, and the EFIB must specifically approve the program for each type of use. Derivative exposure must have sufficient cash, cash equivalents, offsetting derivatives or other liquid assets to cover such exposures. Investment securities are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. Purchase and sale transactions are recorded on the trade date.
- (7) Derivative securities: Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, and interest rate swaps, among others. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. Unless a specific type of derivative security is allowed in the Investment Manager Guidelines, the Investment Manager(s) must seek written permission from the EFIB to include derivative investments in the Fund's portfolio. The Investment Manager(s) must present detailed written information as to the expected return and risk characteristics of such investment vehicles.

Investment securities are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. Purchase and sale transactions are recorded on the trade date.

In fiscal years 2025 and 2024, the EFIB utilized index futures for cash equitization and passive rebalancing. Index futures obligate the buyer to purchase an asset (or the seller to sell an asset) at a predetermined future date and price. Futures contracts detail the quality and quantity of the underlying asset and are standardized to facilitate trading on a futures exchange.

The table below summarizes the various contracts in the portfolio as of June 30, 2025. The notional value of these instruments is not recorded in the financial statements.

Derivatives	Expiration Date	Contracts	Notional Value	Fair Value
Equity Contracts	Sept, 2025	2	\$7,557,406	\$0
Interest Rate Contracts	Sept, 2025	1	\$6,778,273	\$0

The table below summarizes the various contracts in the portfolio as of June 30, 2024. The notional value of these instruments is not recorded in the financial statements.

Derivatives	Expiration Date	Contracts	Notional Value	Fair Value
Swaps	Various	13	\$0	\$420,786
Equity Contracts	Various	1	\$7,310,277	\$0
Foreign Exchange Contracts	Various	95	\$0	(\$217,792)
Options on Futures	Various	22	\$0	\$83,976
Interest Rate Contracts	Various	9	\$109,950,895	\$0

Non-spendable and Restricted Fund Balance

The fund balance of the Earnings Reserve Funds is the spendable assets of the Endowment Fund, which are restricted by law, constitutional provisions, or enabling legislation as to the use. These spendable assets are used for distributions to beneficiaries and distributions for expenses of the EFIB and the IDL. The fund balance of the Permanent Funds is the nonspendable assets, which cannot be spent because they are legally required to be maintained intact.

Income from Investments

Income from investments is recognized when earned and includes interest, dividends, other income, and market appreciation (realized and unrealized). Income from investments is allocated and distributed to each fund participating in the investment pool in the same ratio that each fund's average daily balance bears to the total daily balance of all funds.

Within each endowment, income from investments is further allocated to its Permanent Fund and Earnings Reserve Fund in accordance with Idaho Code Sections 57-723A and 57-724A. The definition of “income” to be allocated depends on whether or not the Permanent Fund portion of an endowment fund has exceeded its “Gain Benchmark” as defined in statute at the end of the fiscal year.

The Gain Benchmark, as specified in Idaho Code Section 57-724, represents the desired or targeted value of principal or corpus in each endowment fund (excluding Capitol Permanent). It is determined by starting with the balance at June 30, 2000, and adding deposits (mainly extracted minerals from endowment land and the sale of endowment land), the annual impact of inflation based on the twelve month average of the Consumer Price Index – All Urban (CPI), and certain reinvested income transfers from Earnings Reserve that are designated by the Land Board as a permanent increases in corpus. The level of the Gain Benchmark determines whether income from investments in the Permanent Fund should be retained to offset inflation and previous losses or is eligible to be transferred to the Earnings Reserve as distributable income. The Permanent Funds at the end of FY2025 and FY2024 had balances that were in excess of the gain benchmark.

Losses in Principal of the Permanent Funds

At the end of each fiscal year, the EFIB is required to calculate whether the fair market values of the Permanent Funds are below the principal or Loss Benchmark level as defined in statute (June 30, 2000 value adjusted for deposits – primarily revenues from extracted minerals and proceeds of land sales).

A loss in principal of the Public School Permanent Fund is made up as follows:

- (1) The State Board of Land Commissioners may transfer any funds in the Public School Earnings Reserve Fund that they determine will not be needed for administrative costs or scheduled distributions in the following fiscal year to the Public School Permanent Fund, to make up for any prior losses in value.
- (2) If funds transferred from the Earnings Reserve Fund are insufficient to make up all losses in value to the Public School Permanent Fund, the remaining loss shall be made up, within ten years, by legislative transfer or appropriation. If subsequent gains, as determined pursuant to the statute, or transfers from the Earnings Reserve Fund, make up for any remaining loss before this ten-year period expires, then no legislative transfer or appropriation shall be necessary.

A loss in principal of the Permanent Funds other than the Public School Permanent or Capitol Permanent Funds shall be made up from Earnings Reserve Fund monies that the State Board of Land Commissioners determines will not be needed for administrative costs or scheduled distributions to each endowment’s respective beneficiary.

Federal law requires that losses to the Agricultural College fund must be made up by the State, but the requirement to restore losses to that endowment has not been established in statute.

There is no statutory requirement to make up losses or calculate a Gain or Loss Benchmark in the Capitol Permanent Fund.

Distributions to State Beneficiaries

With the exception of the Capitol Funds, distributions to the other eight beneficiaries are authorized annually by the State Board of Land Commissioners and are made in equal monthly installments on approximately the 10th of each month. Distributions to the Capitol Maintenance Reserve Fund from the Capitol Permanent Fund are authorized by the EFIB and distributed in July of each fiscal year. Distributions from the Capitol Maintenance Reserve Fund are authorized by the Capitol Commission.

Other

Investments have risks that the other parties to securities transactions do not fulfill their contractual obligations. The EFIB attempts to minimize such risks by diversifying the portfolio investments, monitoring investment grade and quality, and purchasing primarily investment grade fixed income securities.

The EFIB does not intend to use market timing as an investment strategy. However, the investment policy provides the flexibility for tactical asset allocation and rebalancing using capitalizations, investment styles, sectors, and other factors.

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



NOTE 3 - INVESTMENTS

Investments at June 30, 2025 and 2024:

Fund Investments	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Barrow, Hanley	\$ 52,897,125	\$ 63,797,413	\$ 53,657,704	\$ 64,129,169
Boston Partners	132,116,507	172,673,154	120,016,833	161,937,154
CBRE	191,710,226	165,478,399	139,807,349	120,291,243
Clearwater Advisors	-	-	469,121	469,121
Dodge & Cox Core Bond	224,324,621	226,704,457	-	-
Dodge & Cox Global Equity	133,016,279	145,332,925	117,026,345	126,791,992
DoubleLine Capital - Core Plus	234,153,390	228,055,363	218,613,110	207,018,733
Eagle Asset Management	-	-	52,916,237	65,628,641
LSV Asset Management	-	-	25,494	25,494
Northern Trust Money Market Fund*	18,092,475	18,092,473	18,096,682	18,096,682
NTGI S&P 500 Index	261,472,266	566,355,919	270,768,792	531,781,298
Pinestone Global Equity	83,101,072	144,924,762	77,820,078	134,396,183
RREEF America REIT II IN	171,061,836	173,272,183	142,601,498	144,506,128
Sands Capital Management	-	-	126	126
Schroders QEP International Value	258,850,094	311,842,937	258,368,705	276,654,865
State Street Global Advisors	407,913,041	383,219,896	404,501,375	369,689,583
Sycamore Capital Mid Cap	109,228,648	118,682,904	101,804,805	112,709,704
TimesSquare Capital Management	94,857,909	126,028,212	80,688,389	109,996,710
UBS Trumbull Property	9,463,304	9,458,524	11,339,651	11,221,901
WCM Focused Growth	215,089,012	316,629,685	204,762,558	269,033,765
Wellington Global	106,648,459	145,573,968	100,199,559	134,229,657
Western Asset Management - US Core	-	-	211,089,538	204,707,613
Westfield Small Growth	66,062,196	69,176,920	-	-
William Blair	131,882,671	182,805,196	122,164,165	173,447,540
Total Fund Investments	2,901,941,131	3,568,105,290	2,706,738,114	3,236,763,302
Pending Trades:				
Receivable for Investments Sold	(6,270,300)	(6,270,300)	(42,807,567)	(42,807,567)
Payable for Investments Purchased	12,335,506	12,335,506	58,411,757	58,411,757
Total Net Investments	\$ 2,908,006,337	\$ 3,574,170,496	\$ 2,722,342,304	\$ 3,252,367,492

*This is cash that is not allocated to an investment manager

CUSTODIAL CREDIT RISK - The EFIB minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to EFIB ownership and further to the extent possible, be held in the EFIB's name. At June 30, 2025 and June 30, 2024, all Endowment Fund investments were insured or registered investments, or investments held by the EFIB or their agent in the EFIB's name.

The State Treasurer, per the State Constitution, is the custodian of the investments of the Public School Endowment Fund. Investments for the Endowment Fund are held under a safekeeping agreement with the Trust Department of the Northern Trust Company.

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



CONCENTRATION OF CREDIT RISK – The EFIB minimizes exposure to concentration of credit risk by establishing concentration of credit risk limits in investment manager portfolio guidelines. As of June 30, 2025 and 2024, the Endowment Fund did not hold any credit positions exceeding 5% of the total portfolio, other than securities issued or guaranteed by the United States government.

As of June 30, 2025 and 2024, the Endowment Funds held \$75.0 million and \$79.5 million, respectively, in a comingled Treasury-only money market fund rated AAAM by S&P with a average maturity date of 45 days. These balances as of June 30, 2025 and 2024, include \$18.1 million and \$17.1 million of general cash and \$56.9 million and \$62.4 million of cash held in accounts allocated to the Funds' bond and equity managers, respectively.

As of June 30, 2025 and 2024, the Endowment Fund's fixed income investments had the following characteristics:

Credit Ratings Summary by Market Value-Moody's
As of June 30, 2025

Investment Type	Modified Duration	Aaa	Agy	Aa	A	Baa	Ba	B	>B	NR/Not Available	Total
Asset Backed Securities	2.6	\$ 20,853,210	\$ -	\$ 1,989,803	\$ 2,673,171	\$ 6,474,911	\$ 1,174,845	\$ -	\$ 2,934,515	\$ 1,103,630	\$ 37,204,085
Commercial Mortgage-Backed	3.2	11,520,061	-	3,385,479	1,571,390	1,798,730	512,193	-	3,685	1,362,010	20,153,548
Corporate Bonds	5.5	1,855,300	-	7,673,312	68,602,628	105,251,511	19,180,330	6,096,098	1,323,079	1,260,764	211,243,022
Corporate Convertible Bonds	2.3	-	-	-	-	-	191,348	190,445	-	-	381,793
Funds - Government Agencies	0.0	-	2,707,848	-	-	-	-	-	-	-	2,707,848
Funds - Other Fixed Income	0.0	-	-	-	-	-	5,265,146	-	-	-	5,265,146
Government Agencies	4.8	5,914,729	20,342	3,141,259	566,818	749,566	311,143	4,354,856	-	195,022	15,253,735
Government Bonds	7.5	94,487	32,340,707	231,959,238	576,771	5,019,606	187,262	-	-	-	270,178,071
Government Mortgage Backed Secur	6.9	-	246,036,296	-	-	-	-	-	-	75,009	246,111,305
Govt-issued Commercial Mortgage-B	5.0	-	3,638,676	-	-	-	-	-	-	-	3,638,676
Index Linked Government Bonds	13.6	-	-	1,441,480	-	-	-	-	-	-	1,441,480
Municipal/Provincial Bonds	6.7	217,695	-	3,196,614	2,028,618	-	-	-	-	-	5,442,927
Non-Government Backed C.M.O.s	4.2	2,682,750	-	273,395	1,210,613	1,787,223	-	-	4,283,625	1,857,466	12,095,072
Total		\$ 43,138,232	\$ 284,743,869	\$ 253,060,580	\$ 77,230,009	\$ 121,081,547	\$ 26,822,267	\$ 10,641,399	\$ 8,544,904	\$ 5,853,901	\$ 831,116,708

Credit Ratings Summary by Market Value-Moody's
As of June 30, 2024

Investment Type	Modified Duration	Aaa	Agy	Aa	A	Baa	Ba	B	>B	NR/Not Available	Total
Asset Backed Securities	2.9	\$ 5,235,927	\$ -	\$ 1,856,284	\$ 6,236,212	\$ 6,721,014	\$ 2,012,640	\$ -	\$ 3,200,718	\$ 1,631,004	\$ 26,893,799
Bank Loans	0.0	-	-	-	-	-	967,317	693,785	-	-	1,661,102
Commercial Mortgage-Backed	3.4	11,322,350	-	3,593,612	2,503,368	4,881,836	354,631	143,801	103,765	1,492,589	24,395,952
Corporate Bonds	6.4	2,733,685	-	9,273,555	73,001,627	95,800,156	11,799,648	4,892,814	1,549,035	1,154,683	200,205,203
Corporate Convertible Bonds	4.8	-	-	14,903	101,197	501,102	440,464	-	-	1	1,057,667
Funds - Corporate Bond	0.0	-	-	12,775,052	-	-	-	-	-	-	12,775,052
Funds - Government Agencies	0.0	-	2,524,941	-	-	-	-	-	-	-	2,524,941
Funds - Other Fixed Income	0.0	7,009,820	-	-	-	-	13,298,684	15,009,930	-	-	35,318,434
Government Agencies	4.1	9,989,904	206,400	685,810	545,655	542,131	460,958	108,290	24,684	332,071	12,895,903
Government Bonds	7.5	212,465,073	12,366,929	77,652	686,787	9,418,124	293,498	279,867	81,149	-	235,669,079
Government Mortgage Backed Secur	7.1	43,794	195,778,451	-	-	-	-	-	-	82,878	195,905,123
Govt-issued Commercial Mortgage-B	5.6	178,085	3,426,168	-	-	-	-	-	-	-	3,604,253
Index Linked Government Bonds	6.6	505,490	-	-	-	116,866	-	-	-	-	622,356
Municipal/Provincial Bonds	7.6	381,321	-	1,719,393	397,023	-	-	-	172,602	79,966	2,750,305
Non-Government Backed C.M.O.s	3.3	2,283,783	-	-	666,480	1,779,991	3,732,735	1,886,121	4,861,502	3,264	15,213,876
Total		\$ 252,149,232	\$ 214,302,889	\$ 29,996,261	\$ 84,138,349	\$ 119,761,220	\$ 33,360,575	\$ 23,014,608	\$ 9,993,455	\$ 4,776,456	\$ 771,493,045

*The Ba column includes bonds that are split rate and meet the minimum requirement of one of the two ratings agencies specified in the EFIB Statement of Investment Policy.

CREDIT RISK - EFIB Investment policy limits fixed income securities to: U.S. government and agency securities; bank loans; corporate notes and bonds; residential mortgage backed bonds; commercial mortgage backed bonds; municipal bonds, infrastructure securities, USD and non-USD fixed income securities of foreign governments and corporations; planned amortization class collateralized mortgage obligations; or other “early tranche” CMO’s; Sequential pay CMO’s; collateralized loan obligations, asset backed securities; convertible notes and bonds; Securities defined under Rule 144A and Section 4(2) of Securities Act of 1933; or any other fixed income securities eligible for inclusion in the Bloomberg Barclays Aggregate Bond Index.

INTEREST RATE RISK - Managers will provide EFIB with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



FOREIGN CURRENCY RISKS – The EFIB’s Investment Policy Statement permits investments in international securities. The Endowment Fund’s exposure to foreign currency risk is as follows:

Investment and Country	Currency	2025	2024
		Fair Value	Fair Value
Argentina	ARS	\$ -	\$ 170
Australia	AUD	6,760,244	12,541,663
Brazil	BRL	4,131,900	5,534,367
Canada	CAD	29,169,959	22,501,353
Chile	CNH	166,796	-
Chinese Yuan (HK)	CZK	349,977	(453,062)
Denmark	DKK	9,161,790	25,749,435
European Monetary Union	EUR	187,214,210	145,983,722
Great Britain	GBP	109,417,411	103,042,539
Hong Kong	HKD	39,392,739	19,609,766
Hungary	HUF	2,388,924	1,937,850
India	INR	-	1,374,531
Indonesia	IDR	477,209	831,285
Israel	ILS	985	879
Japan	JPY	84,191,831	49,124,158
Malaysia	MYR	853,225	1,549,255
Mexico	MXN	1,566,030	8,295,035
Norway	NOK	3,222,327	5,522,119
Philippines	PHP	694,920	674,277
Poland	PLN	461,656	2,896,908
Russia	RUB	-	15,600
Singapore	SGD	4,453,506	5,507,241
South Africa	ZAR	2,639,925	2,572,419
South Korea	KRW	19,111,315	13,631,096
Sweden	SEK	4,021,767	2,489,631
Switzerland	CHF	31,323,517	25,273,292
Taiwan	TWD	16,342,084	19,157,109
Thailand	THB	1,394,326	979,444
Turkey	TRY	89	108
Uruguay	UYU	-	116,865
Total		<u>\$ 558,908,662</u>	<u>\$ 476,459,055</u>

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



NOTE 4 – INCOME FROM INVESTMENTS

Per Idaho Code Section 57-724A, income distributed to the Earnings Reserve Fund includes the Permanent Fund's total cumulative income (interest, dividends and market appreciation/depreciation) above its Gain Benchmark (original principal, adjusted for deposits and inflation). The Permanent Fund retains any income to the extent of inflation and any cumulative losses carried forward from the previous year.

The Components of net income from investments for Fiscal Year 2025 and their allocation are shown below:

Permanent Fund Income
For the Fiscal Year Ended June 30, 2025

Endowment	Net Increase in Fair Value	Income Retained to Offset Inflation or Losses *	Cap Perm Fund Interest and Dividends	Total Investment Income
Public School	\$ -	\$ 37,553,533	\$ -	\$ 37,553,533
Agricultural College	-	1,137,514	-	1,137,514
Charitable	-	4,065,426	-	4,065,426
Normal School	-	4,248,056	-	4,248,056
Penitentiary	-	1,765,522	-	1,765,522
School of Science	-	3,807,681	-	3,807,681
State Hospital South	-	3,542,104	-	3,542,104
University of Idaho	-	3,537,568	-	3,537,568
Capitol Permanent **	3,730,073	-	899,397	4,629,470
Total	\$ 3,730,073	\$ 59,657,404	\$ 899,397	\$ 64,286,874

* For all Permanent funds (except Capitol Permanent), any cumulative total income vs. the Gain Benchmark is allocated to the Earning Reserve Fund as part of Allocation of Permanent Fund Gain in the table below).

**The Capitol Permanent Fund retains its interest and dividends.

Earnings Reserve Fund Income
For the Fiscal Year Ended June 30, 2025

Endowment	Net Increase in Fair Value	Interest, Dividends and Other Income	Allocation of Permanent Fund Gain *	Total Investment Gain
Public School	\$ 44,965,009	\$ 44,328,936	\$ 100,403,061	\$ 189,697,006
Agricultural College	1,426,159	1,347,937	3,200,180	5,974,276
Charitable	4,826,468	5,039,312	12,075,743	21,941,523
Normal School	5,172,072	5,165,000	12,303,862	22,640,934
Penitentiary	2,521,544	2,278,733	5,280,959	10,081,236
School of Science	4,604,735	4,585,922	10,631,071	19,821,728
State Hospital South	4,746,160	4,250,726	9,257,699	18,254,585
University of Idaho	4,303,341	4,480,634	10,998,242	19,782,217
Capitol Maintenance **	1,550,212	331,347	-	1,881,559
Total	\$ 74,115,700	\$ 71,808,547	\$ 164,150,817	\$ 310,075,064

* All Endowments (except Capitol Permanent), are allocated the Permanent Fund's total cumulative income over the Gain Benchmark.

**The Capitol Maintenance Fund retains its proportionate share of interest and dividends and the net increase or decrease in fair value.

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



The Components of income from investments for Fiscal Year 2024 and their allocation are shown below:

Permanent Fund Income
For the Fiscal Year Ended June 30, 2024

Endowment	Net Increase in Fair Value	Income Retained to Offset Inflation or Losses *	Cap Perm Fund Interest and Dividends	Total Investment Income
Public School	\$ -	\$ 45,408,680	\$ -	\$ 45,408,680
Agricultural College	-	1,377,833	-	1,377,833
Charitable	-	4,923,260	-	4,923,260
Normal School	-	5,144,589	-	5,144,589
Penitentiary	-	2,138,504	-	2,138,504
School of Science	-	4,611,201	-	4,611,201
State Hospital South	-	4,290,276	-	4,290,276
University of Idaho	-	4,284,727	-	4,284,727
Capitol Permanent **	3,492,414	-	1,009,865	4,502,279
Total	\$ 3,492,414	\$ 72,179,070	\$ 1,009,865	\$ 76,681,349

* For all Permanent funds (except Capitol Permanent), any cumulative total income vs. the Gain Benchmark is allocated to the Earning Reserve Fund as part of Allocation of Permanent Fund Gain in the table below).

**The Capitol Permanent Fund retains its interest and dividends.

Earnings Reserve Fund Income
For the Fiscal Year Ended June 30, 2024

Endowment	Net Increase in Fair Value	Interest, Dividends and Other Income	Allocation of Permanent Fund Gain *	Total Investment Gain
Public School	\$ 39,186,707	\$ 48,400,983	\$ 82,478,862	\$ 170,066,552
Agricultural College	1,281,561	1,468,640	2,495,719	5,245,920
Charitable	5,220,020	5,473,636	9,236,033	19,929,689
Normal School	4,719,626	5,712,159	10,063,162	20,494,947
Penitentiary	2,032,630	2,444,190	4,318,704	8,795,524
School of Science	4,351,679	5,033,876	8,593,418	17,978,973
State Hospital South	4,392,786	4,719,965	7,771,591	16,884,342
University of Idaho	4,437,692	4,878,569	8,624,099	17,940,360
Capitol Maintenance **	1,265,332	322,161	-	1,587,493
Total	\$ 66,888,033	\$ 78,454,179	\$ 133,581,588	\$ 278,923,800

* All Endowments (except Capitol Permanent), are allocated the Permanent Fund's total cumulative income over the Gain Benchmark.

**The Capitol Maintenance Fund retains its proportionate share of interest and dividends and the net increase or decrease in fair value.

NOTE 5 – CLIENT EXPENDITURES

Four clients, representing twelve additional perpetual funds in Fiscal Year 2025 and 2024, are included in the same comingled investment pool as the Endowment Fund and their assets totaled \$210 million and \$193 million as of June 30, 2025 and 2024, respectively. These balances are not included in the EFIB financial statements.

In fiscal year 2025, expenses of the EFIB were paid from the Earnings Reserve Funds and by the EFIB's other clients. The portions paid by the other clients were paid under investment management contracts and are not considered an expenditure of the Endowment Funds and are therefore not included as expenditures or as reimbursements in these financial statements. Total expenditures were \$706,069 and \$670,271 for the fiscal years ended June 30, 2025 and 2024, respectively.

NOTE 6 – BENEFICIARY DISTRIBUTIONS

Distributions to beneficiaries for the Fiscal Years ended June 30, 2025 and 2024 are shown below.

Total Fund Distributions		
Beneficiary	2025	2024
Public School	\$ 63,039,600	\$ 61,532,200
Agricultural College	1,993,200	1,927,500
Charitable Institutions	7,116,000	7,008,000
Normal School	7,273,200	6,568,700
Penitentiary	3,154,800	3,139,600
School of Science	6,722,400	6,672,700
State Hospital South	7,776,000	7,586,400
University of Idaho	6,146,400	5,879,900
Subtotal	103,221,600	100,315,000
Capitol Maintenance	250,000	250,000
Total Distributions	\$ 103,471,600	\$ 100,565,000

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



Pursuant to Idaho Code Section 66-1106, the Charitable Institutions Endowment Fund income is distributed to five institutions according to the factors shown below. Distributions to these sharing institutions for the years ended June 30, 2025 and 2024, were as follows:

Charitable Institutions			
Beneficiaries	Factor	2025 Distribution	2024 Distribution
Idaho State University Fund	8/30	\$ 1,897,600	\$ 1,868,800
State Juvenile Corrections Institutions Fund	8/30	1,897,600	1,868,800
School for the Deaf and Blind Fund	1/30	237,200	233,600
Veterans Home Fund	5/30	1,186,000	1,168,000
State Hospital North Fund	8/30	1,897,600	1,868,800
Total		<u>\$ 7,116,000</u>	<u>\$ 7,008,000</u>

Pursuant to Idaho Code Section 33-3301B, the Normal School Endowment Fund Income is distributed to the two institutions shown below. Distributions to these sharing institutions for the years ended June 30, 2025 and 2024:

Normal School			
Beneficiaries	%	2025 Distribution	2024 Distribution
Idaho State University, Pocatello	50%	\$ 3,636,600	\$ 3,284,350
Lewis-Clark State College, Lewiston	50%	3,636,600	3,284,350
Total		<u>\$ 7,273,200</u>	<u>\$ 6,568,700</u>

NOTE 7 – CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICT BONDS

On July 1, 2002, the State of Idaho’s Credit Enhancement Program for school district bonds became effective. This program, in accordance with Idaho Code Section 57-728 and in conjunction with Idaho Code Chapter 53, Title 33, currently requires the Public School Endowment Fund to purchase up to \$300 million in notes of the State of Idaho that are issued to avoid the default of a voter-approved school district bond that has been guaranteed by the program.

The capacity of the School Bond Credit Enhancement Program to guarantee payments on general obligation school bonds is \$300 million and the bond principal that can be guaranteed is \$1.2 billion. The maximum available to any one district for bond principal is \$40 million.

As of June 30, 2025, \$464.3 million of bonds guaranteed by the Credit Enhancement Program remained outstanding. Expected principal and interest payments in the coming year total \$57.1 million. As of June 30, 2024, \$521.2 million of bonds guaranteed by the Credit Enhancement Program remained outstanding.

The Public School Endowment Fund would only be required to loan monies to the State to make payments on school bonds after several other potential funding sources have been exhausted. If a school district does not make timely prepayment of debt service on guaranteed bonds, the State Treasurer is required to make the payment. The State Treasurer may utilize any available funds from the state sales tax account. If this sources prove insufficient to make the payment, the Treasurer may borrow the remaining amount from the Public School Endowment Fund, at a rate of 400 basis points above one-year Treasury Bills. This loan from the Endowment Fund would be repaid by the intercept of future state funds due to the school district and other sources.

Since July 2009, the EFIB has charged an application fee to offset administrative costs and a guaranty fee that is deposited in the Public School Endowment Fund for providing the ongoing credit enhancement. Application fees for fiscal year 2025 totaled \$0 and guaranty fees, included in Income from Investments, totaled \$5,777. Application fees for fiscal year 2024 totaled \$1,500 and guaranty fees, included in Income from Investments, totaled \$13,727.

NOTE 8 – BUDGETARY COMPARISON

Budgets are adopted on a cash basis for the Endowment Fund. The budget for administrative expenses (personnel, operating and capital outlay) from the Earnings Reserve Funds is approved by the legislature on an annual basis. Expenses for consulting fees, bank custodial fees, and portfolio-related external costs are continuously appropriated by the Idaho Legislature on an annual basis. The EFIB is not required by law to adopt or publish an overall budget for operations.

NOTE 9 – MISCELLANEOUS REVENUE

By law, certain miscellaneous State revenue is required to be deposited in the Public School Permanent Fund:

- Unclaimed estates, dividends and stock certificates from Idaho corporations (Idaho Constitution Section 4 Article IX)
- Five percent of federal land sales, net of sale expenses (Section 7 of the Idaho Admission Bill)
- Anonymous political contributions in excess of \$50 (Idaho Code Section 67-6610)
- Unqualified election expenses of political parties paid from state income tax funds (Idaho Code Section 34-2505)
- Royalties arising from extraction of minerals from navigable waterways (Idaho Code Section 58-104)

In fiscal 2025, the Public School Permanent Fund received \$35,067 representing the net proceeds from two sales of federal land in Idaho, 1 political donation of \$705 and 1 donation of \$1,044.

In fiscal year 2024, the Public School Permanent Fund received \$644 from 1 donation. These miscellaneous revenues are included in Receipts from the Department of Lands.

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



The Capitol Maintenance Reserve Fund receives a portion of the additional fees charged for the special Idaho Capitol vehicle license plate (Idaho Code Section 49-420A). In fiscal 2025 and 2024, this revenue totaled \$332,380 and \$292,100, respectively, and is included in Receipts from Department of Lands.

NOTE 10 – LAND BANK

The Land Bank Fund was established under Idaho Code Section 58-133 to allow the State Board of Land Commissioners to hold proceeds from the sale of state endowment land pending the purchase of other Idaho land for the benefit of the beneficiaries of that endowment. These proceeds may be held for a period not to exceed five years from the effective date of the sale. Funds in the Land Bank are invested in the State Treasurer’s Idle Pool and any investment earnings are added to the original proceeds. Land Bank Fund assets are not included in the balances of the Endowment Funds since they are being held primarily for purchase of land that will be managed by IDL. The authority to acquire land using Land Bank assets rests with the State Board of Land Commissioners.

As of June 30, 2025 and 2024, the Land Bank Fund balances were \$76.0 million and \$73.6 million, respectively. During fiscal year 2025, \$10.4 million was transferred out of the Land Bank Fund. The Land Bank balances by endowment, as of June 30, 2025 were as follows:

Land Bank As of June 30, 2025					
FY Quarter Received	Public School	Normal School	State Hospital South	Total	FY Quarter Expires
2022-01	\$ 784,215	-	-	\$ 784,215	2027-01
2022-02	10,140,720	-	-	10,140,720	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
2025-01	-	-	-	-	2030-01
2025-02	10,249,720	450,000	5,563,000	16,262,720	2030-02
2025-03	-	-	-	-	2030-03
2025-04	1,155,000	-	-	1,155,000	2030-04
Total Principal Remaining	66,098,975	450,000	5,995,187	72,544,162	
Interest	3,280,227	23,442	171,527	3,475,196	
Land Bank Cash Balance with Interest	\$ 69,379,202	\$ 473,442	\$ 6,166,714	\$ 76,019,358	

These balances relate to land sales made in fiscal years 2022, 2023, 2024 and 2025. If by the end of the fifth year, the proceeds from a land sale have not been spent or encumbered to purchase other land within the State, the proceeds are deposited in the Permanent Fund along with accumulated investment earnings.

NOTE 11 - INVESTMENTS MEASURED AT FAIR VALUE

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement. There were no Level 3 assets to report.

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



Fair Value Measurements Using 6/30/2025				
	Total Investments	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
Asset Backed Securities	\$ 37,204,085	\$ -	\$ 37,204,085	\$ -
Commercial Mortgage-Backed	20,153,548	-	20,153,548	-
Corporate Bonds	211,243,022	-	211,243,022	-
Corporate Convertible Bonds	381,793	-	381,793	-
Funds - Government Agencies	2,707,848	-	2,707,848	-
Funds - Other Fixed Income	5,265,146	-	5,265,146	-
Government Agencies	15,253,735	-	15,253,735	-
Government Bonds	270,178,071	-	270,178,071	-
Government Mortgage-Backed Securities	246,111,305	-	246,111,305	-
Gov't-issued Commercial Mortgage-Backed	3,638,676	-	3,638,676	-
Index Linked Government Bonds	1,441,480	-	1,441,480	-
Municipal/Provincial Bonds	5,442,927	-	5,442,927	-
Non-Government Backed C.M.O.s	12,095,072	-	12,095,072	-
Total Debt Securities	831,116,708	-	831,116,708	-
Preferred Stock Securities				
Consumer Discretionary	553,986	553,986	-	-
Consumer Staples	57,908	57,908	-	-
Energy	1,046,525	1,046,525	-	-
Financials	1,024,940	1,024,940	-	-
Materials	226,232	226,232	-	-
Total Preferred Stock Securities	2,909,591	2,909,591	-	-
Equity Securities				
Common Stock Funds	145,332,925	145,332,925	-	-
Communication Services	164,066,006	164,066,006	-	-
Consumer Discretionary	232,274,156	232,274,156	-	-
Consumer Staples	107,275,127	107,275,127	-	-
Energy	69,908,761	69,908,761	-	-
Financials	384,220,714	384,220,714	-	-
Health Care	178,066,080	178,066,080	-	-
Industrials	342,939,807	342,939,807	-	-
Information Technology	534,149,847	534,149,847	-	-
Materials	79,939,683	79,939,683	-	-
MISCELLANEOUS	4,005	4,005	-	-
Real Estate	29,798,797	29,798,797	-	-
Utilities	47,559,568	47,559,568	-	-
Funds - Equity ETFs	863,309	863,309	-	-
Stapled Securities	523,159	523,159	-	-
Total Equity Securities	2,316,921,944	2,316,921,944	-	-
Derivatives				
Equity Contracts	-	-	-	-
Interest Rate Contracts	-	-	-	-
Total Derivatives	-	-	-	-
Total Investments by Fair Value Level	\$ 3,150,948,243	\$ 2,319,831,535	\$ 831,116,708	\$ -
Investments Measured at amortized cost				
Money Market Fund	75,013,147			
Investments Measured at the Net Asset Value (NAV)				
Real Estate (private)	348,209,106			
Total Investments	<u>\$ 3,574,170,496</u>			

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



Fair Value Measurements Using 6/30/2024				
	Total Investments	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
Asset Backed Securities	\$ 26,893,799	\$ -	\$ 26,893,799	\$ -
Bank Loans	1,661,102	-	1,661,102	-
Commercial Mortgage-Backed	24,395,952	-	24,395,952	-
Corporate Bonds	200,205,203	-	200,205,203	-
Corporate Convertible Bonds	1,057,667	-	1,057,667	-
Funds - Corporate Bond	12,775,052	-	12,775,052	-
Funds - Government Agencies	2,524,941	-	2,524,941	-
Funds - Other Fixed Income	35,318,434	-	35,318,434	-
Government Agencies	12,895,903	-	12,895,903	-
Government Bonds	235,669,079	-	235,669,079	-
Government Mortgage-Backed Securities	195,905,123	-	195,905,123	-
Gov't-issued Commercial Mortgage-Backed	3,604,253	-	3,604,253	-
Index Linked Government Bonds	622,356	-	622,356	-
Municipal/Provincial Bonds	2,750,305	-	2,750,305	-
Non-Government Backed C.M.O.s	15,213,876	-	15,213,876	-
Total Debt Securities	771,493,045	-	771,493,045	-
Preferred Stock Securities				
Consumer Discretionary	197,814	197,814	-	-
Consumer Staples	1,250,504	1,250,504	-	-
Energy	483,590	483,590	-	-
Financials	309,003	309,003	-	-
Industrials	93,738	93,738	-	-
Materials	142,633	142,633	-	-
Utilities	495,063	495,063	-	-
Total Preferred Stock Securities	2,972,345	2,972,345	-	-
Equity Securities				
Common Stock Funds	126,791,992	126,791,992	-	-
Communication Services	131,677,877	131,677,877	-	-
Consumer Discretionary	232,636,133	232,636,133	-	-
Consumer Staples	100,177,735	100,177,735	-	-
Energy	84,175,628	84,175,628	-	-
Financials	308,171,705	308,171,705	-	-
Health Care	237,416,644	237,416,644	-	-
Industrials	271,153,166	271,153,166	-	-
Information Technology	481,769,589	481,769,589	-	-
Materials	79,962,776	79,962,776	-	-
MISCELLANEOUS	4,023	4,023	-	-
Real Estate	28,564,055	28,564,055	-	-
Utilities	36,258,362	36,258,362	-	-
Funds - Equity ETFs	2,110,072	2,110,072	-	-
Stapled Securities	156,536	156,536	-	-
Total Equity Securities	2,121,026,293	2,121,026,293	-	-
Derivatives				
Swaps	420,786	420,786	-	-
Foreign Exchange Contracts	(217,792)	(217,792)	-	-
Options on Futures	83,976	83,976	-	-
Total Derivatives	286,970	286,970	-	-
Total Investments by Fair Value Level	\$ 2,895,778,653	\$ 2,124,285,608	\$ 771,493,045	\$ -
Investments Measured at amortized cost				
Money Market Fund	80,569,567			
Investments Measured at the Net Asset Value (NAV)				
Real Estate (private)	276,019,272			
Total Investments	<u>\$ 3,252,367,492</u>			

STATE OF IDAHO ENDOWMENT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is described below.

NET ASSET VALUE (NAV)

Real estate investment fund - This type includes three real estate funds; UBS TPI, CBRE and DB RAR II invest primarily in U.S. commercial real estate. Net Asset Value (NAV) is determined in accordance with accounting principles generally accepted in the United States, NCREIF Real Estate Information Standards, and market-based accounting rules where appropriate and applicable. Net Asset Value (NAV) is based on the fund's gross asset value less the value of any debt or other outstanding liabilities, whether held directly or indirectly through another entity or entities, anticipated distributions and similar items, as determined by the Advisor at its discretion.

Investments Measured at the NAV for 2025:

Investments Measured at the NAV 6/30/2025				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<i>Real Estate Funds</i>				
UBS TPI	\$ 9,458,524	-	Quarterly	60 Days
CBRE	165,478,399	-	Quarterly	60 Days
DB RAR II	<u>173,272,183</u>	-	Quarterly	45 days
Total Investments measured at the NAV	<u>\$ 348,209,106</u>			

Investments Measured at the NAV for 2024:

Investments Measured at the NAV 6/30/2024				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<i>Real Estate Funds</i>				
UBS TPI	\$ 11,221,901	-	Quarterly	60 Days
CBRE	120,291,243	-	Quarterly	60 Days
DB RAR II	<u>144,506,128</u>	-	Quarterly	45 days
Total Investments measured at the NAV	<u>\$ 276,019,272</u>			

NOTE 12 - COMMITMENTS

For endowments other than the Capitol Funds, the Board of Land Commissioners has approved, and the legislature has appropriated, the following distributions to beneficiaries for FY 2026.

	FY 2026
Public School	\$ 68,224,800
Agricultural College	2,102,400
Charitable Institutions	7,502,400
Normal School	7,783,200
Penitentiary	3,322,800
School of Science	7,084,800
State Hospital South	7,776,000
University of Idaho	6,574,800
Total	\$110,371,200

The EFIB authorizes distributions from the Capitol Permanent Fund to the Capitol Maintenance Reserve Fund, effective July 1 of each fiscal year. For fiscal year 2026, the EFIB authorized a regular distribution of \$1,923,000 based on approximately 5% of the Capitol Permanent Fund balance.

NOTE 13 - SUBSEQUENT EVENTS

On August 19, 2025, the Board of Land Commissioners approved beneficiary distributions for fiscal year 2027. Fiscal year 2027 beneficiary distributions have not yet been appropriated by the legislature and will be considered by the legislature in its 2026 session.

	<i>Distributions Proposed</i>
<u>Beneficiaries</u>	<u>FY 2027</u>
Public School	\$ 72,366,000
Agricultural College	2,222,400
Charitable Institutions	8,113,200
Normal School	8,494,800
Penitentiary	3,585,600
School of Science	7,465,200
State Hospital South	7,776,000
University of Idaho	7,255,200
Total	<u>\$ 117,278,400</u>



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Endowment Fund Investment Board
State of Idaho Endowment Fund
Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the State of Idaho Endowment Fund administered by the Endowment Fund Investment Board (the EFIB), a permanent fund of the State of Idaho, as of and for the year ended June 30, 2025, and the related notes to the financial statements and have issued our report thereon dated August 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Idaho Endowment Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Idaho Endowment Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Idaho Endowment Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the State of Idaho Endowment Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Idaho Endowment Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Idaho Endowment Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Idaho Endowment Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
August 19, 2025



Supplementary Schedules

**STATE OF IDAHO ENDOWMENT FUND
SUPPLEMENTARY SCHEDULE OF FUND BALANCE BY ENDOWMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



	Public School	Agricultural College	Charitable Institutions	Normal School
PERMANENT FUND BALANCE				
Permanent Fund Balance, beginning of year	\$ 1,424,527,522	\$ 43,149,597	\$ 157,614,815	\$ 169,142,550
Program Revenues:				
Receipts from Dept. of Lands	12,061,571	1,235,715	38,783	21,833
Income from Investments	37,553,533	1,137,514	4,065,426	4,248,056
Total Program Revenue	49,615,104	2,373,229	4,104,209	4,269,889
Transfer to Earnings Reserve	-	-	-	-
Transfer from Earnings Reserve	66,675,000	2,881,000	18,231,000	11,196,000
Increase in Fund Balance	116,290,104	5,254,229	22,335,209	15,465,889
Permanent Fund Balance, end of year	1,540,817,626	48,403,826	179,950,024	184,608,439
EARNINGS RESERVE FUND BALANCE				
Earnings Reserve Fund Balance, beginning of year	544,248,763	17,597,430	70,747,919	65,678,483
Program Revenues:				
Receipts from Dept. of Lands	58,364,166	2,112,931	4,535,789	6,475,600
Income from Investments	189,697,006	5,974,276	21,941,524	22,640,934
Total Program Revenues	248,061,172	8,087,207	26,477,313	29,116,534
Program Expenses:				
Dept. of Lands Expenses	20,085,300	425,112	1,569,082	1,653,660
Investment Management Expenses	7,174,206	218,635	814,624	837,993
Distributions to Beneficiaries	63,039,600	1,993,200	7,116,000	7,273,200
Total Program Expenses	90,299,106	2,636,947	9,499,706	9,764,853
Net Program Revenue	157,762,066	5,450,260	16,977,607	19,351,681
Transfer to Permanent Fund	(66,675,000)	(2,881,000)	(18,231,000)	(11,196,000)
Transfer from Permanent Fund	-	-	-	-
Increase/(Decrease) in Fund Balance	91,087,066	2,569,260	(1,253,393)	8,155,681
Earnings Reserve Fund Balance, end of year	635,335,829	20,166,690	69,494,526	73,834,164
TOTAL FUND BALANCE	\$ 2,176,153,455	\$ 68,570,516	\$ 249,444,550	\$ 258,442,603

STATE OF IDAHO ENDOWMENT FUND
SUPPLEMENTARY SCHEDULE OF FUND BALANCE BY ENDOWMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Penitentiary	School of Science	State Hospital South	University of Idaho	Capitol	Total
\$ 71,772,004	\$ 147,007,699	\$ 134,363,520	\$ 143,491,442	\$ 41,154,049	\$ 2,332,223,197
-	47,265	8,394	6,129	536,832	13,956,522
1,765,522	3,807,681	3,542,104	3,537,568	4,629,470	64,286,874
1,765,522	3,854,946	3,550,498	3,543,697	5,166,302	78,243,396
-	-	-	-	(1,945,000)	(1,945,000)
5,011,000	10,279,000	5,103,000	14,894,000	-	134,270,000
6,776,522	14,133,946	8,653,498	18,437,697	3,221,302	210,568,396
78,548,526	161,141,645	143,017,018	161,929,139	44,375,351	2,542,791,593
28,270,896	59,872,907	59,535,479	60,917,156	14,910,469	921,779,502
6,120,859	5,110,431	3,311,116	4,381,163	332,380	90,744,435
10,081,235	19,821,728	18,254,585	19,782,217	1,881,559	310,075,064
16,202,094	24,932,159	21,565,701	24,163,380	2,213,939	400,819,499
660,262	1,649,166	1,813,832	1,121,356	178,021	29,155,791
368,058	742,529	687,268	725,218	199,064	11,767,595
3,154,800	6,722,400	7,776,000	6,146,400	250,000	103,471,600
4,183,120	9,114,095	10,277,100	7,992,974	627,085	144,394,986
12,018,974	15,818,064	11,288,601	16,170,406	1,586,854	256,424,513
(5,011,000)	(10,279,000)	(5,103,000)	(14,894,000)	-	(134,270,000)
-	-	-	-	1,945,000	1,945,000
7,007,974	5,539,064	6,185,601	1,276,406	3,531,854	124,099,513
35,278,870	65,411,971	65,721,080	62,193,562	18,442,323	1,045,879,015
\$113,827,396	\$ 226,553,616	\$ 208,738,098	\$ 224,122,701	\$ 62,817,674	\$ 3,588,670,608

**STATE OF IDAHO ENDOWMENT FUND
SUPPLEMENTARY SCHEDULE OF FUND BALANCE BY ENDOWMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



	Public School	Agricultural College	Charitable Institutions	Normal School
PERMANENT FUND BALANCE				
Permanent Fund Balance, beginning of year	\$ 1,376,650,039	\$ 41,771,619	\$ 149,257,925	\$ 155,967,940
Program Revenues:				
Receipts from Dept. of Lands	2,468,803	145	33,630	30,022
Income from Investments	45,408,680	1,377,833	4,923,260	5,144,589
Total Program Revenue	47,877,483	1,377,978	4,956,890	5,174,611
Transfer to Earnings Reserve	-	-	-	-
Transfer from Earnings Reserve	-	-	3,400,000	8,000,000
Increase in Fund Balance	47,877,483	1,377,978	8,356,890	13,174,611
Permanent Fund Balance, end of year	1,424,527,521	43,149,597	157,614,815	169,142,550
EARNINGS RESERVE FUND BALANCE				
Earnings Reserve Fund Balance, beginning of year	405,236,027	13,904,999	53,212,934	58,911,356
Program Revenues:				
Receipts from Dept. of Lands	58,700,920	1,058,497	10,487,942	3,169,341
Income from Investments	170,066,552	5,245,920	19,929,690	20,494,947
Total Program Revenues	228,767,472	6,304,417	30,417,632	23,664,288
Program Expenses:				
Dept. of Lands Expenses	21,438,451	478,463	1,706,612	1,528,153
Investment Management Expenses	6,784,085	206,023	768,035	800,308
Distributions to Beneficiaries	61,532,200	1,927,500	7,008,000	6,568,700
Total Program Expenses	89,754,736	2,611,986	9,482,647	8,897,161
Net Program Revenue	139,012,736	3,692,431	20,934,985	14,767,127
Transfer to Permanent Fund	-	-	(3,400,000)	(8,000,000)
Transfer from Permanent Fund	-	-	-	-
Increase/(Decrease) in Fund Balance	139,012,736	3,692,431	17,534,985	6,767,127
Earnings Reserve Fund Balance, end of year	544,248,763	17,597,430	70,747,919	65,678,483
TOTAL FUND BALANCE	\$ 1,968,776,284	\$ 60,747,026	\$ 228,362,734	\$ 234,821,034

STATE OF IDAHO ENDOWMENT FUND
SUPPLEMENTARY SCHEDULE OF FUND BALANCE BY ENDOWMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



Penitentiary	School of Science	State Hospital South	University of Idaho	Capitol	Total
\$ 64,832,799	\$ 139,797,307	\$ 130,067,845	\$ 129,899,601	\$ 38,432,026	\$ 2,226,677,101
701	29,191	5,398	7,114	91,344	2,666,347
2,138,504	4,611,201	4,290,276	4,284,727	4,502,279	76,681,349
2,139,205	4,640,392	4,295,674	4,291,841	4,593,623	79,347,697
-	-	-	-	(1,871,600)	(1,871,600)
4,800,000	2,570,000	-	9,300,000	-	28,070,000
6,939,205	7,210,392	4,295,674	13,591,841	2,722,023	105,546,097
71,772,004	147,007,699	134,363,520	143,491,442	41,154,049	2,332,223,197
26,876,292	49,626,916	48,054,848	52,330,156	11,771,466	719,924,994
1,613,877	4,281,940	4,353,911	7,747,709	292,100	91,706,237
8,795,525	17,978,972	16,884,341	17,940,360	1,587,493	278,923,800
10,409,402	22,260,912	21,238,252	25,688,069	1,879,593	370,630,037
732,397	2,066,332	1,509,192	1,236,684	175,119	30,871,403
342,801	705,889	662,029	684,484	187,071	11,140,725
3,139,600	6,672,700	7,586,400	5,879,900	250,000	100,565,000
4,214,798	9,444,921	9,757,621	7,801,069	612,190	142,577,128
6,194,604	12,815,991	11,480,631	17,887,001	1,267,403	228,052,909
(4,800,000)	(2,570,000)	-	(9,300,000)	-	(28,070,000)
-	-	-	-	1,871,600	1,871,600
1,394,604	10,245,991	11,480,631	8,587,001	3,139,003	201,854,509
28,270,896	59,872,907	59,535,479	60,917,156	14,910,469	921,779,502
\$100,042,900	\$ 206,880,606	\$ 193,898,998	\$ 204,408,598	\$ 56,064,518	\$ 3,254,002,699



Other Information

**STATE OF IDAHO ENDOWMENT FUNDS
SCHEDULE OF THE GAIN BENCHMARK
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



<i>Endowment</i>	<i>Fiscal Year</i>	<i>Beginning Benchmark</i>	<i>Deposits</i>	<i>Reinvested Income</i>	<i>Inflation Impact</i>	<i>Ending Benchmark</i>
Public School	2001-2024	555,954,750	118,569,753	207,877,000	542,126,019	1,424,527,522
	2025	1,424,527,522	12,061,571	-	37,553,533	1,474,142,626
Agricultural College	2001-2024	14,787,041	155,727	12,643,000	15,563,829	43,149,597
	2025	43,149,597	1,235,715	-	1,137,514	45,522,826
Charitable Institutions	2001-2024	54,513,960	466,959	42,134,000	57,099,896	154,214,815
	2025	154,214,815	38,783	-	4,065,426	158,319,024
Normal School	2001-2024	47,258,942	31,751,733	28,656,000	53,475,876	161,142,551
	2025	161,142,551	21,833	-	4,248,056	165,412,440
Penitentiary	2001-2024	18,258,289	36,910	26,203,000	22,473,805	66,972,004
	2025	66,972,004	-	-	1,765,522	68,737,526
School of Science	2001-2024	54,836,451	507,977	34,732,000	54,361,271	144,437,699
	2025	144,437,699	47,265	-	3,807,681	148,292,645
State Hospital South	2001-2024	23,442,162	34,423,075	37,197,000	39,301,282	134,363,519
	2025	134,363,519	8,394	-	3,542,104	137,914,017
University	2001-2024	42,442,536	6,291,507	39,170,000	46,287,399	134,191,442
	2025	134,191,442	6,129	-	3,537,568	137,735,139

The EFIB Board approved excluding the fiscal year 2025 and 2024 amounts transferred from the Earnings Reserve Fund to the Permanent Fund of \$134,270,000 and \$28,070,000, respectively, from the gain benchmark calculation.

**STATE OF IDAHO ENDOWMENT FUNDS
SCHEDULE OF THE GAIN BENCHMARK
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



<i>Endowment</i>	<i>Fiscal Year</i>	<i>Beginning Benchmark</i>	<i>Deposits</i>	<i>Reinvested Income</i>	<i>Inflation Impact</i>	<i>Ending Benchmark</i>
Public School	2001-2023	555,954,750	116,100,950	207,877,000	496,717,339	1,376,650,039
	2024	1,376,650,039	2,468,803	-	45,408,680	1,424,527,522
Agricultural College	2001-2023	14,787,041	155,582	12,643,000	14,185,996	41,771,619
	2024	41,771,619	145	-	1,377,833	43,149,597
Charitable Institutions	2001-2023	54,513,960	433,329	42,134,000	52,176,636	149,257,925
	2024	149,257,925	33,630	-	4,923,260	154,214,815
Normal School	2001-2023	47,258,942	31,721,711	28,656,000	48,331,287	155,967,940
	2024	155,967,940	30,022	-	5,144,589	161,142,551
Penitentiary	2001-2023	18,258,289	36,209	26,203,000	20,335,301	64,832,799
	2024	64,832,799	701	-	2,138,504	66,972,004
School of Science	2001-2023	54,836,451	478,786	34,732,000	49,750,070	139,797,307
	2024	139,797,307	29,191	-	4,611,201	144,437,699
State Hospital South	2001-2023	23,442,162	34,417,677	37,197,000	35,011,006	130,067,845
	2024	130,067,845	5,398	-	4,290,276	134,363,519
University	2001-2023	42,442,536	6,284,393	39,170,000	42,002,672	129,899,601
	2024	129,899,601	7,114	-	4,284,727	134,191,442



Independent Accountant's Report

Idaho Department of Lands
Boise, Idaho

We have performed the procedures enumerated below, on the revenue and expense allocation procedures of Idaho Department of Lands for the year ended June 30, 2025. Idaho Department of Lands' management is responsible for the revenue and expense allocation methodology for the year ended June 30, 2025.

Idaho Department of Lands has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the revenue and expense allocation procedures of Idaho Department of Lands for the year ended June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

Procedures

1. Revenues: Obtain the Idaho Department of Lands 'Income Statement Endowment Trust Lands' (IDL Income Statement) and the 'COGNOS – Income Statement – Revenues' report and perform the following for the year ended June 30, 2025:
 - a. Agree revenue in total by each of the nine endowments per the 'COGNOS – Income Statement – Revenues' report to the IDL Income Statement.
 - b. Recalculate the allocation of the nine asset activities to the seven asset classes per the methodology outlined in the "Endowment Lands Income Statement Methodology" Document dated June 30, 2025 for revenues.
 - c. Agree revenues in total for each of the recalculated seven asset classes to the IDL Income Statement.

Findings

1. No exceptions were found as a result of applying the procedures.

Procedures

2. Project Expense: Obtain the 'COGNOS – Expense Report' which includes the Business Services, Forest Resources, and Trust Lands expenditures and project codes in an Excel workbook. Perform the following for the year ended June 30, 2025:
 - a. Agree project expenses in total by each of the nine endowments per the above reports to the IDL Income Statement.
 - b. Recalculate the allocation of the nine asset activities to the seven asset classes per the methodology included in the "Endowment Lands Income Statement Methodology" document dated June 30, 2025 for project expenses.
 - c. Agree project expenses in total for each of the recalculated seven asset classes to the IDL Income Statement.
 - d. Obtain listing of projects with transactions recorded to the project expense during the year ended June 30, 2025, and agree total to project expense on IDL Income Statement for the year ended June 30, 2025.
 - i. Obtain defined project allocation percentages for each project selected and recalculate recorded allocation of respective endowments.
 - ii. Report any discrepancies.

Findings

2. No exceptions were found as a result of applying the procedures.

Procedures

3. Non-Project Expense: Obtain the 'COGNOS – Expense Report' and perform the following for the year ended June 30, 2025:
 - a. Recalculate the allocation of the nine asset activities to the seven asset classes per the methodology outlined in the "Endowment Lands Income Statement Methodology" document dated June 30, 2025 for indirect expenses.
 - b. Agree non-project expenses in total for each of the recalculated seven asset classes to the IDL Income Statement.
 - c. Recalculate the allocation of the total non-project expenses by asset class to each of the nine endowments based on the methodology included in the "Endowment Lands Income Statement Methodology" Document dated June 30, 2025 for direct expenses.
 - d. Agree non-project expenses by endowment for each of the recalculated nine endowments to the IDL Income Statement.

Findings

3. No exceptions were found as a result of applying the procedures.

Procedures

4. Overhead: Obtain the 'COGNOS – Expense Report' and perform the following for the year ended June 30, 2025:
 - a. Agree total overhead to the 'COGNOS – Expense Report' to the IDL Income Statement.

- b. Recalculate the allocation of the total overhead expenses to each of the nine endowments and each of the seven asset classes based on the methodology included in the "Endowment Lands Income Statement Methodology" document dated June 30, 2025 for overhead.

Findings

4. No exceptions were found as a result of applying the procedures.

We were engaged by Idaho Department of Lands to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the allocation methodology of Idaho Department of Lands for the year ended June 30, 2025.

Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Idaho Department of Lands and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Idaho Department of Lands and the Idaho Endowment Fund Investment Board and is not intended to be and should not be used by anyone other than these specified parties.



Boise, Idaho
August 19, 2025



Thomas J. Wilford :: Chairman
Jerry F. Aldape Irving Littman
David Dean James Petzke
Robert M. Donaldson Mary Pat Thompson
Joseph Forney Jim Woodward

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through October 31, 2025

Month: 1.0% Fiscal year: 5.9%

Robust third-quarter corporate earnings, optimism surrounding AI advancements, accommodative Federal Reserve policy and strong economic data boosted investor confidence and supported the continued rise in U.S. stocks. Technology stocks remain on a tear with Nvidia's valuation now above \$5 trillion. Emerging market stocks also experienced strength, bolstered in part by a one-year trade agreement truce between the U.S. and China. The Federal Reserve reduced the federal funds rate by 0.25% to a target range of 3.74%-4.00%, but the yield on the 10-year U.S. Treasury bill inched up modestly to 4.1%. Financial markets have largely ignored stretched equity valuations, the U.S. government shutdown and softening in the labor markets.

Status of endowment fund reserves

Distributions for FY2026 and FY2027 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:

Liz Wieneke is retiring in late November.

Upcoming issues/events

Board Meeting – February 19, 2025

Preliminary Report (Land Grant Fund)

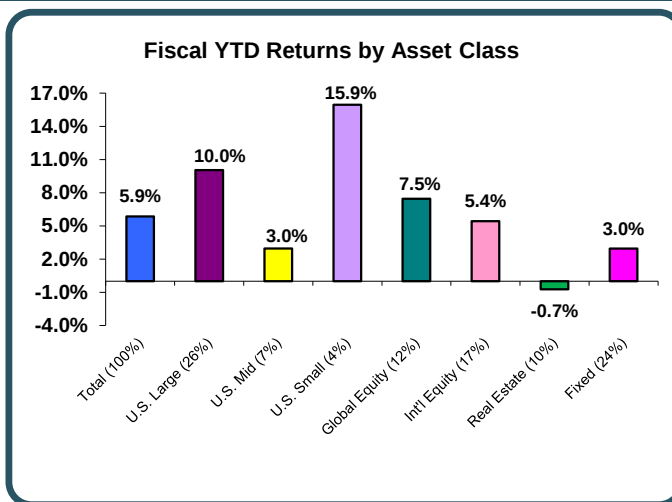
October 31, 2025

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	3,751,688,834	\$ 3,588,670,608
Distributions to Beneficiaries	9,197,600	37,040,400
Land Revenue net of IDL Expenses	9,838,748	27,695,684
Change in Market Value net of Investment Mgt. Expenses	18,480,540	135,799,030
Current Value of Fund	\$ 3,789,205,722	\$ 3,789,205,722

<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	1.0%	14.6%	5.9%	14.7%	13.7%	9.6%	8.9%
Total Fund Benchmark*	1.6%	15.4%	7.3%	16.3%	14.7%	9.9%	8.8%
Total Fixed	0.7%	7.2%	3.0%	6.7%	6.2%	0.5%	2.2%
BBG U.S. Agg. (Ag)	0.6%	6.8%	2.7%	6.2%	5.6%	0.1%	2.1%
Total Equity	1.2%	19.6%	7.9%	20.1%	19.6%	14.4%	12.1%
56% R3 25.8% Ax 18.2% AC	2.1%	20.6%	10.0%	22.3%	21.5%	15.0%	12.0%
Domestic Equity	1.6%	14.6%	9.3%	16.9%	18.7%	15.3%	13.2%
Russell 3000 (R3)	2.1%	16.8%	10.5%	20.8%	21.8%	16.7%	14.1%
Global Equity	1.4%	17.9%	7.5%	17.7%	18.9%	12.7%	11.2%
MSCI ACWI (AC)	2.2%	21.1%	10.0%	22.6%	21.6%	14.6%	11.3%
Int'l. Equity	0.1%	32.2%	5.4%	28.5%	22.0%	13.4%	10.2%
MSCI ACWI ex-US (Ax)	2.0%	28.6%	9.1%	24.9%	20.3%	11.2%	7.7%
Real Estate		0.9%	-0.7%	0.9%	-5.9%	1.8%	
NCREIF ODCE Index		2.6%	0.8%	2.6%	-6.2%	2.5%	

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

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,407.7	37.1%
Large Cap	994.7	26.3%
Mid Cap	256.2	6.8%
Small Cap	156.8	4.1%
Global Equity	471.8	12.5%
Int'l Equity	654.3	17.3%
Fixed Income	883.5	23.3%
Real Estate	356.2	9.4%
Cash	16.0	0.4%
Total Fund	\$ 3,789.2	100.0%



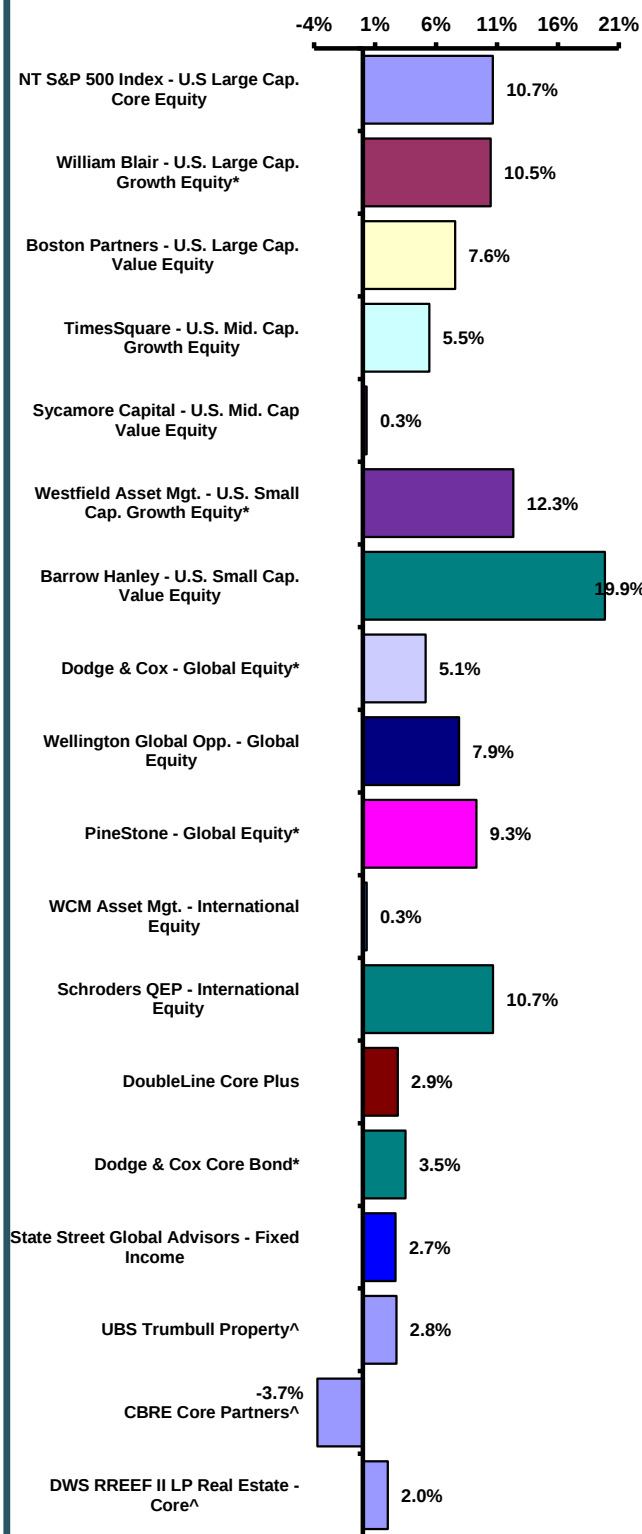
Endowment Fund Staff Comments:

Robust third-quarter corporate earnings, optimism surrounding AI advancements, accommodative Federal Reserve policy and strong economic data boosted investor confidence and supported the continued rise in U.S. stocks. Technology stocks remain on a tear with Nvidia's valuation now above \$5 trillion. Emerging market stocks also experienced strength, bolstered in part by a one-year trade agreement truce between the U.S. and China. The Federal Reserve reduced the federal funds rate by 0.25% to a target range of 3.74%-4.00%, but the yield on the 10-year U.S. Treasury bill inched up modestly to 4.1%. Financial markets have largely ignored stretched equity valuations, the U.S. government shutdown and softening in the labor markets.

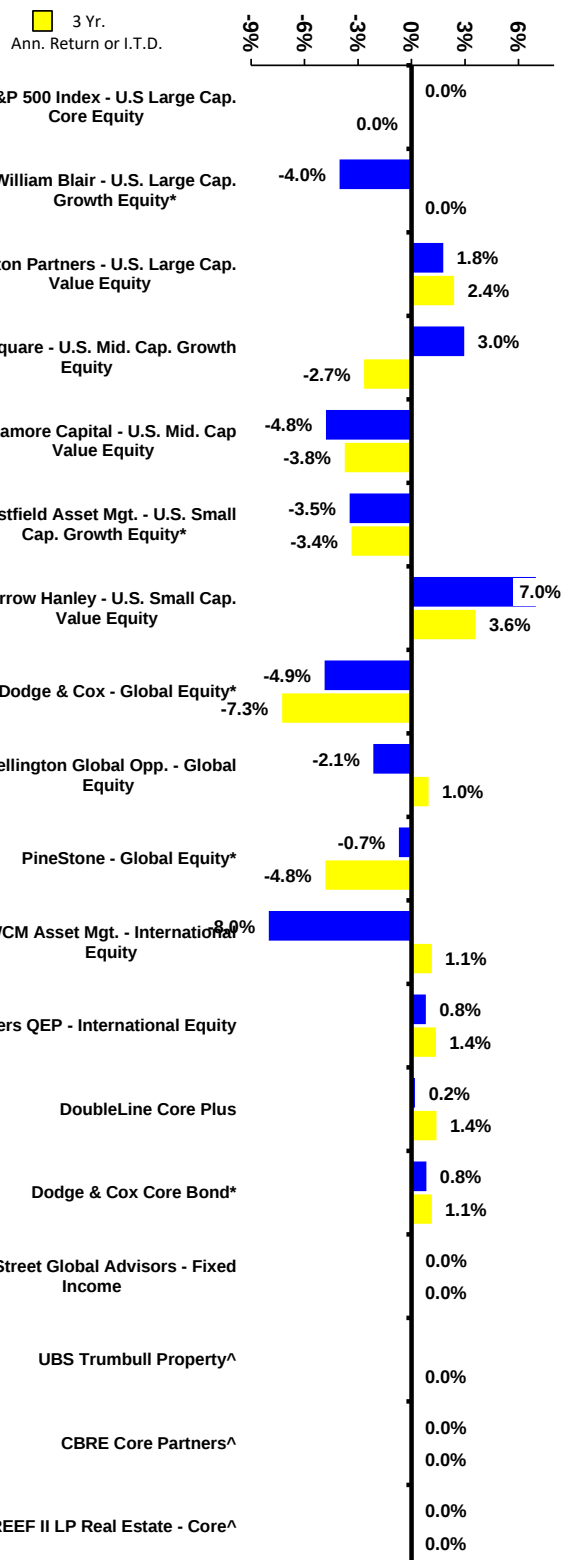
October 31, 2025

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

November 18, 2025

Department Report

Subject

Performance Review of Total Endowment

Background

As part of the Asset Allocation and Governance Review in 2014, Callan LLC (Callan) recommended that a total return be calculated for the endowment portfolio by aggregating the market values and cash flows of the financial assets and the land assets.

The revised Statement of Investment Policy adopted by the State Board of Land Commissioners (Land Board) in December 2024 requires that performance reports be generated annually by the General Consultant, Callan, for review by the Land Board.

Discussion

Callan calculated the total return of the financial assets and the land assets for the fiscal year ending June 30, 2025 (Attachment 1). The combined net return was 9.27%, above last year's net return of 8.49%. The combined return includes the land asset net return of 5.50% (up from 3.37% in fiscal year 2024) and the financial asset net return of 11.31% (down from 11.50% in fiscal year 2024).

Callan also compiled a report of the land returns by asset class for the fiscal year ending June 30, 2025 (Attachment 2).

Attachments

1. Investment Manager Returns
2. Investment Measurement Service Quarterly Review

Investment Manager Returns

The table below details the rates of return for the Fund’s investment managers over various time periods ended June 30, 2025. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund’s accounts for that asset class.

Returns for Periods Ended June 30, 2025				
	Last Year	Last 3 Years	Last 10 Years	Last 15 Years
EFIB Plan (Net)	11.31%	11.07%	7.74%	9.00%
EFIB Target	12.36%	11.73%	8.04%	9.12%
Land (Net)	5.50%	4.38%	6.36%	-
Total Plan + Land	9.27%	8.63%	7.21%	8.78%
CPI + 3.5%	6.06%	6.10%	6.56%	6.14%

June 30, 2025

Idaho Board of Land Commissioners

**Investment Measurement Service
Quarterly Review**

Table of Contents

June 30, 2025

Total Land Portfolio	
Asset Allocation Across Investment Managers	2
Investment Manager Performance	3
Individual Accounts	
Total Land Portfolio	6
Farmland	7
Commercial Real Estate	8
Rangeland	9
Residential Real Estate	10
Timberland	11
Land Bank	12
Disclosures	13

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2025, with the distribution as of June 30, 2024. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	June 30, 2025		Net New Inv.	Inv. Return	June 30, 2024	
	Market Value	Weight			Market Value	Weight
Farmland	69,600,319	3.61%	6,797,076	5,748,908	57,054,335	3.01%
Commercial Real Estate	42,596,000	2.21%	(403,164)	6,955,164	36,044,000	1.90%
Rangeland	63,385,840	3.29%	(3,329,953)	3,329,953	63,385,840	3.35%
Residential Real Estate	63,148,440	3.28%	(19,222,523)	28,079,075	54,291,888	2.87%
Timberland	1,611,155,715	83.66%	(83,946,698)	84,663,213	1,610,439,200	84.99%
Land Bank	76,019,358	3.95%	(913,172)	3,334,211	73,598,319	3.88%
Total Land Portfolio Assets	\$1,925,905,672	100.00%	\$(101,018,434)	\$132,110,524	\$1,894,813,582	100.00%

Cash flows, including market values and management fees, were provided by Idaho Department of Lands using their internal methodology which may be subject to change. The cash flows and categorizations have not been independently verified by Callan for accuracy or consistency with industry standards. Specific dates for each individual cash flow were not provided. To convert the non-specific cash flow information to a format that could be used in performance calculations, Callan assumed all cashflows occurred at mid-quarter to arrive at quarterly performance numbers. Performance figures are calculated using a modified BAI methodology.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2025. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2025

	Fiscal Year	Last 3 Years	Last 5 Years	Last 10 Years
Farmland	10.00%	12.15%	9.44%	-
Farmland (Net)	9.74%	11.85%	8.83%	-
Commercial Real Estate	19.18%	7.90%	23.26%	-
Commercial Real Estate (Net)	18.33%	6.97%	20.86%	-
Rangeland	5.36%	5.27%	5.85%	-
Rangeland (Net)	2.72%	2.48%	2.79%	-
Residential Real Estate	52.66%	78.43%	59.15%	-
Residential Real Estate (Net)	48.39%	68.59%	51.41%	-
Timberland	5.37%	5.16%	10.74%	-
Timberland (Net)	3.78%	3.53%	8.99%	-
Timberland (Net Real Return)	1.08%	0.62%	4.20%	-
Land Bank	4.29%	2.66%	1.75%	-
Land Bank (Net)	4.29%	2.66%	1.75%	-
Total Land excluding - Land Bank	7.18%	6.14%	11.23%	8.66%
Total Land excluding - Land Bank (Net)	5.55%	4.46%	9.39%	6.69%
Total Land Portfolio (Gross)	7.07%	5.99%	10.57%	8.21%
Total Land Portfolio (Net Nominal)	5.50%	4.38%	8.86%	6.36%
Total Land Portfolio (Net Real Return)	2.76%	1.46%	4.08%	3.20%
CPI All Urban Cons	2.67%	2.87%	4.58%	3.06%

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Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2025. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended June 30, 2025

	Fiscal Year			Last 3 Years			Last 5 Years		
	Inc%	App%	Tot%	Inc%	App%	Tot%	Inc%	App%	Tot%
Farmland (Net)	0.65	9.04	9.74	1.02	10.75	11.85	0.86	7.91	8.83
Commercial Real Estate (Net)	1.94	16.12	18.33	1.79	5.11	6.97	2.02	17.86	20.86
Rangeland (Net)	2.72	0.00	2.72	2.48	0.00	2.48	1.99	0.77	2.79
Residential Real Estate (Net)	(0.43)	48.73	48.39	0.80	67.35	68.59	1.79	48.79	51.41
Timberland (Net)	3.78	0.00	3.78	3.53	0.00	3.53	3.89	4.98	8.99
Total Land excluding - Land Bank (Net)	3.43	2.05	5.55	3.29	1.13	4.46	3.63	5.63	9.39
Total Land Portfolio (Net Nominal)	3.47	1.97	5.50	3.26	1.08	4.38	3.49	5.25	8.86

Total Land Portfolio Real Estate Portfolio Quarterly Changes in Market Value

	<u>Beg. of</u> <u>Period</u> <u>Market</u>	<u>Capital</u> <u>+ Contri-</u> <u>butions</u>	<u>+ Accounting</u> <u>Income</u>	<u>- Mgmt.</u> <u>Fees</u>	<u>+ Appre-</u> <u>ciation</u>	<u>- Dist. of</u> <u>Income &</u> <u>Real. Gains</u>	<u>- Return</u> <u>of</u> <u>Capital</u>	<u>=</u>	<u>End of</u> <u>Period</u> <u>Market</u>
09/2015	1,443,485,863	6,737,772	18,523,024	6,333,665	337,900	12,176,749	6,737,772		1,443,836,373
12/2015	1,443,836,373	6,737,772	18,523,024	6,333,665	337,900	12,176,749	6,737,772		1,444,186,883
03/2016	1,444,186,883	6,737,772	18,523,024	6,333,665	337,900	12,176,749	6,737,772		1,444,537,394
06/2016	1,444,537,394	6,737,772	18,523,024	6,333,665	337,900	12,176,749	6,737,772		1,444,887,904
09/2016	1,444,887,904	17,424,042	32,190,512	8,130,079	(0)	24,850,095	16,715,247		1,444,807,037
12/2016	1,444,807,037	18,903,334	15,698,109	7,356,406	1,328,500	8,309,338	18,830,890		1,446,240,346
03/2017	1,446,240,346	22,212,151	19,044,141	5,379,154	3,715,150	13,609,788	22,112,365		1,450,110,481
06/2017	1,450,110,481	2,138,318	8,164,265	7,920,565	1,040,305	2,151,292	25,100		1,451,356,412
09/2017	1,451,356,412	7,987,519	25,025,187	7,148,261	22,668,989	17,852,656	7,770,000		1,474,267,190
12/2017	1,474,267,190	27,995,332	15,811,240	6,762,941	0	8,717,002	27,995,332		1,474,598,487
03/2018	1,474,598,487	8,541,139	22,386,935	5,296,596	5,419,200	16,719,764	8,490,000		1,480,439,401
06/2018	1,480,439,401	78,855	12,198,615	7,934,209	2,245,000	3,737,745	0		1,483,289,917
09/2018	1,483,289,917	4,427,157	27,185,702	7,787,652	1,058,260	19,372,629	3,870,000		1,484,930,755
12/2018	1,484,930,755	67,627,619	27,115,724	7,470,723	635,124	19,508,037	67,586,953		1,485,743,509
03/2019	1,485,743,509	399,277	17,226,842	6,758,073	0	10,504,483	0		1,486,107,072
06/2019	1,486,107,072	6,569,563	5,390,356	7,746,173	0	1,663,268	0		1,488,657,550
09/2019	1,488,657,550	4,738,506	25,378,329	7,305,825	1,520,460	17,889,361	4,252,500		1,490,847,159
12/2019	1,490,847,159	13,148,892	20,454,696	7,201,795	0	12,942,040	12,793,400		1,491,513,512
03/2020	1,491,513,512	1,322,706	20,787,792	5,109,919	0	15,502,537	866,000		1,492,145,554
06/2020	1,492,145,554	82,794	11,608,931	8,195,122	991,000	3,024,439	52,134		1,493,556,584
09/2020	1,493,556,584	9,028,312	26,558,371	7,082,523	2,355,507	19,812,782	5,179,720		1,499,423,749
12/2020	1,499,423,749	6,875,282	19,945,233	6,107,898	1,715,133	13,963,369	6,595,000		1,501,293,130
03/2021	1,501,293,130	41,106	28,748,815	4,917,035	0	23,707,561	0		1,501,458,455
06/2021	1,501,458,455	88,258	12,505,453	7,897,403	5,985,554	4,595,048	31,785,592		1,475,759,677
09/2021	1,475,759,677	2,485,304	27,857,846	7,197,275	344,021,970	21,256,879	5,522,228		1,816,148,415
12/2021	1,816,148,415	56,792,534	24,477,047	7,067,087	0	17,476,725	33,390,720		1,839,483,464
03/2022	1,839,483,464	9,890,500	24,059,044	4,907,504	4,950,000	19,053,723	9,890,500		1,844,531,281
06/2022	1,844,531,281	12,032,292	8,120,964	7,579,676	8,566,878	2,012,286	47,150,112		1,816,509,341
09/2022	1,816,509,341	201,639	26,565,124	7,123,186	12,656,900	19,051,829	0		1,829,757,989
12/2022	1,829,757,989	73,058,406	26,565,124	7,123,186	0	19,051,829	72,856,767		1,830,349,737
03/2023	1,830,349,737	9,800,000	20,885,364	5,508,083	8,685,000	15,014,732	9,800,000		1,839,397,286
06/2023	1,839,397,286	687,560	8,943,506	7,776,329	0	1,247,049	2,847,310		1,837,157,664
09/2023	1,837,157,664	131,860	25,474,468	7,206,590	983,325	18,178,426	0		1,838,362,302
12/2023	1,838,362,302	60,866,255	25,474,468	7,206,590	983,325	18,178,426	6,006,000		1,894,295,336
03/2024	1,894,295,336	321,476	19,543,756	7,960,088	0	11,646,022	0		1,894,554,459
06/2024	1,894,554,459	12,413,302	19,543,756	7,960,088	0	11,646,022	12,091,825		1,894,813,582
09/2024	1,894,813,582	3,190,930	27,804,450	7,491,740	35,402,962	19,961,890	1,888,442		1,931,869,852
12/2024	1,931,869,852	20,310,211	28,525,604	7,381,742	1,188,000	24,375,907	16,262,720		1,933,873,298
03/2025	1,933,873,298	1,309,681	19,264,981	5,556,552	0	14,160,445	0		1,934,730,963
06/2025	1,934,730,963	1,871,515	19,224,527	8,184,178	700,000	10,913,392	11,523,763		1,925,905,672
	0	511,944,716	819,847,376	278,072,905	1,913,654,005	550,365,811	491,101,709		1,925,905,672

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Farmland Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+	Capital Contri- butions	+	Accounting Income	-	Mgmt. Fees	+	Appre- ciation	-	Distri- butions	=	End of Period Market
09/2015	22,300,000		0		120,774		42,052		337,900		78,722		22,637,900
12/2015	22,637,900		0		120,774		42,052		337,900		78,722		22,975,800
03/2016	22,975,800		0		120,774		42,052		337,900		78,722		23,313,700
06/2016	23,313,700		0		120,774		42,052		337,900		78,722		23,651,600
09/2016	23,651,600		33,835		250		34,085		0		0		23,651,600
12/2016	23,651,600		0		317,855		156,334		0		161,521		23,651,600
03/2017	23,651,600		0		95,266		(86,168)		0		181,434		23,651,600
06/2017	23,651,600		1,815		45,299		47,114		0		0		23,651,600
09/2017	23,651,600		26,045		2,000		28,045		1,013,640		0		24,665,240
12/2017	24,665,240		0		184,432		24,082		0		160,350		24,665,240
03/2018	24,665,240		0		193,527		36,305		0		157,222		24,665,240
06/2018	24,665,240		68,355		45,637		113,992		0		0		24,665,240
09/2018	24,665,240		28,429		3,783		32,212		675,760		0		25,341,000
12/2018	25,341,000		0		268,519		29,938		0		238,581		25,341,000
03/2019	25,341,000		0		92,268		38,806		0		53,462		25,341,000
06/2019	25,341,000		17,078		46,317		63,395		0		0		25,341,000
09/2019	25,341,000		6,818		23,432		30,250		1,520,460		0		26,861,460
12/2019	26,861,460		0		260,698		53,276		0		207,422		26,861,460
03/2020	26,861,460		0		74,463		33,249		0		41,214		26,861,460
06/2020	26,861,460		30,660		48,115		78,775		0		0		26,861,460
09/2020	26,861,460		3,345,981		8,814		43,245		1,013,640		0		31,186,650
12/2020	31,186,650		0		355,491		49,798		0		305,693		31,186,650
03/2021	31,186,650		0		118,050		45,133		0		72,917		31,186,650
06/2021	31,186,650		47,152		37,619		84,771		0		0		31,186,650
09/2021	31,186,650		433,443		4,391		107,594		1,336,510		0		32,853,400
12/2021	32,853,400		0		298,669		57,172		0		241,497		32,853,400
03/2022	32,853,400		0		196,798		127,877		0		68,921		32,853,400
06/2022	32,853,400		107,350		20,487		127,837		0		0		32,853,400
09/2022	32,853,400		0		162,283		37,730		7,241,900		124,554		40,095,300
12/2022	40,095,300		6,012,380		162,283		37,730		0		124,554		46,107,680
03/2023	46,107,680		0		197,899		32,046		0		165,853		46,107,680
06/2023	46,107,680		0		71,506		35,991		0		35,515		46,107,680
09/2023	46,107,680		0		204,200		22,144		477,325		182,056		46,585,005
12/2023	46,585,005		0		204,200		22,144		477,325		182,056		47,062,330
03/2024	47,062,330		0		148,596		32,774		0		115,822		47,062,330
06/2024	47,062,330		9,992,005		148,596		32,774		0		115,822		57,054,335
09/2024	57,054,335		2,019,122		67,082		32,725		5,169,690		34,357		64,243,147
12/2024	64,243,147		4,047,491		226,509		37,516		0		188,993		68,290,638
03/2025	68,290,638		1,309,681		209,301		42,568		0		166,733		69,600,319
06/2025	69,600,319		0		76,326		39,520		0		36,806		69,600,319
	0		27,527,640		5,104,058		1,930,988		42,577,850		3,678,241		69,600,319

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Commercial Real Estate Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Dist. of Income & Real. Gains	- Return of Capital	= End of Period Market
09/2015	31,502,435	0	599,175	305,676	0	293,500	0	31,502,435
12/2015	31,502,435	0	599,175	305,676	0	293,500	0	31,502,435
03/2016	31,502,435	0	599,175	305,676	0	293,500	0	31,502,435
06/2016	31,502,435	0	599,175	305,676	0	293,500	0	31,502,435
09/2016	31,502,435	0	1,299,490	635,627	0	663,863	0	31,502,435
12/2016	31,502,435	69,844	344,145	413,989	0	0	0	31,502,435
03/2017	31,502,435	0	422,777	339,925	3,715,150	82,852	17,265,000	17,952,585
06/2017	17,952,585	0	340,718	(42,035)	1,040,305	382,753	0	18,992,890
09/2017	18,992,890	0	316,491	256,468	(140,000)	60,023	0	18,852,890
12/2017	18,852,890	0	670,074	391,642	0	278,432	0	18,852,890
03/2018	18,852,890	51,139	174,715	225,854	0	0	8,490,000	10,362,890
06/2018	10,362,890	0	198,210	122,475	2,245,000	0	0	12,683,625
09/2018	12,683,625	0	547,489	123,176	0	424,313	0	12,683,625
12/2018	12,683,625	40,666	201,040	241,706	0	0	0	12,683,625
03/2019	12,683,625	78,448	136,408	214,856	0	0	0	12,683,625
06/2019	12,683,625	1,878,697	130,604	122,115	0	8,489	0	14,562,322
09/2019	14,562,322	0	235,904	149,796	0	86,108	1,560,500	13,001,822
12/2019	13,001,822	0	487,229	135,221	0	352,008	0	13,001,822
03/2020	13,001,822	0	140,558	102,366	0	38,192	0	13,001,822
06/2020	13,001,822	0	197,913	188,332	95,000	9,581	0	13,096,822
09/2020	13,096,822	0	529,153	181,024	0	348,129	0	13,096,822
12/2020	13,096,822	46,099	99,243	145,342	0	0	0	13,096,822
03/2021	13,096,822	41,106	141,946	183,052	0	0	0	13,096,822
06/2021	13,096,822	41,106	141,946	183,052	4,045,000	0	0	17,141,822
09/2021	17,141,822	0	647,070	106,949	0	540,121	0	17,141,822
12/2021	17,141,822	0	1,265,096	60,610	0	1,204,486	0	17,141,822
03/2022	17,141,822	0	212,663	112,749	0	99,914	0	17,141,822
06/2022	17,141,822	11,573,820	(1,133,740)	104,780	8,566,878	0	0	36,044,000
09/2022	36,044,000	0	426,454	116,990	0	309,465	0	36,044,000
12/2022	36,044,000	0	426,454	116,990	0	309,465	0	36,044,000
03/2023	36,044,000	0	80,295	75,762	0	4,533	0	36,044,000
06/2023	36,044,000	0	142,945	75,832	0	67,113	0	36,044,000
09/2023	36,044,000	0	351,818	70,056	0	281,762	0	36,044,000
12/2023	36,044,000	0	351,818	70,056	0	281,762	0	36,044,000
03/2024	36,044,000	15,237	60,424	75,660	0	0	0	36,044,000
06/2024	36,044,000	15,237	60,424	75,660	0	0	0	36,044,000
09/2024	36,044,000	705,000	180,123	77,457	5,847,000	102,666	0	42,596,000
12/2024	42,596,000	0	581,765	115,308	0	466,457	0	42,596,000
03/2025	42,596,000	0	78,627	40,482	0	38,145	0	42,596,000
06/2025	42,596,000	0	267,649	69,152	0	198,497	0	42,596,000
	0	14,556,399	13,152,639	6,901,180	56,916,768	7,813,126	27,315,500	42,596,000

Cash flows, including market values and management fees, were provided by Idaho Department of Lands using their internal methodology which may be subject to change. The cash flow and categorizations have not been independently verified by Callan for accuracy or consistency with industry standards. Specific dates for each individual cash flow were not provided. To convert the non-specific cash flow information to a format that could be used in performance calculations, Callan assumed all cashflows occurred at mid-quarter to arrive at quarterly performance numbers. Performance figures are calculated using a modified BAI methodology.

Rangeland Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Dist. of Income & Real. Gains	- Return of Capital	= End of Period Market
09/2015	61,000,000	0	742,508	439,390	0	303,118	0	61,000,000
12/2015	61,000,000	0	742,508	439,390	0	303,118	0	61,000,000
03/2016	61,000,000	0	742,508	439,390	0	303,118	0	61,000,000
06/2016	61,000,000	0	742,508	439,390	0	303,118	0	61,000,000
09/2016	61,000,000	418,712	15,744	434,456	0	0	0	61,000,000
12/2016	61,000,000	0	651,041	417,971	0	233,070	0	61,000,000
03/2017	61,000,000	99,786	366,069	465,855	0	0	0	61,000,000
06/2017	61,000,000	0	1,943,241	668,142	0	1,275,099	0	61,000,000
09/2017	61,000,000	0	298,769	285,833	0	12,936	0	61,000,000
12/2017	61,000,000	0	388,362	375,616	0	12,746	0	61,000,000
03/2018	61,000,000	0	495,725	347,673	0	148,052	0	61,000,000
06/2018	61,000,000	0	1,761,042	618,366	0	1,142,676	0	61,000,000
09/2018	61,000,000	199,366	237,272	436,638	0	0	0	61,000,000
12/2018	61,000,000	0	635,741	533,906	0	101,835	0	61,000,000
03/2019	61,000,000	0	510,128	507,905	0	2,223	0	61,000,000
06/2019	61,000,000	0	1,780,339	527,962	0	1,252,377	0	61,000,000
09/2019	61,000,000	0	640,720	407,518	0	233,202	0	61,000,000
12/2019	61,000,000	355,492	146,409	501,901	0	0	0	61,000,000
03/2020	61,000,000	0	915,943	368,220	0	547,723	0	61,000,000
06/2020	61,000,000	0	1,561,026	834,043	0	726,983	0	61,000,000
09/2020	61,000,000	254,602	246,869	501,471	0	0	0	61,000,000
12/2020	61,000,000	234,183	386,704	620,887	0	0	0	61,000,000
03/2021	61,000,000	0	776,352	457,148	0	319,204	0	61,000,000
06/2021	61,000,000	0	1,404,069	544,811	0	859,258	0	61,000,000
09/2021	61,000,000	140,822	328,488	469,310	2,400,000	0	0	63,400,000
12/2021	63,400,000	151,814	329,645	481,459	0	0	0	63,400,000
03/2022	63,400,000	0	748,455	379,517	0	368,938	0	63,400,000
06/2022	63,400,000	0	1,486,842	669,986	0	816,856	14,160	63,385,840
09/2022	63,385,840	201,639	308,358	509,998	0	0	0	63,385,840
12/2022	63,385,840	201,639	308,358	509,998	0	0	0	63,385,840
03/2023	63,385,840	0	876,053	305,270	0	570,783	0	63,385,840
06/2023	63,385,840	0	1,627,975	483,554	0	1,144,421	0	63,385,840
09/2023	63,385,840	131,860	319,633	451,493	0	0	0	63,385,840
12/2023	63,385,840	131,860	319,633	451,493	0	0	0	63,385,840
03/2024	63,385,840	0	1,370,437	397,403	0	973,034	0	63,385,840
06/2024	63,385,840	0	1,370,437	397,403	0	973,034	0	63,385,840
09/2024	63,385,840	117,755	286,973	404,728	0	0	0	63,385,840
12/2024	63,385,840	0	474,939	384,485	0	90,454	0	63,385,840
03/2025	63,385,840	0	698,819	412,082	0	286,737	0	63,385,840
06/2025	63,385,840	0	1,869,222	413,129	0	1,456,093	0	63,385,840
	0	2,639,530	30,855,866	18,735,191	63,400,000	14,760,205	14,160	63,385,840

Cash flows, including market values and management fees, were provided by Idaho Department of Lands using their internal methodology which may be subject to change. The cash flow and categorizations have not been independently verified by Callan for accuracy or consistency with industry standards. Specific dates for each individual cash flow were not provided. To convert the non-specific cash flow information to a format that could be used in performance calculations, Callan assumed all cashflows occurred at mid-quarter to arrive at quarterly performance numbers. Performance figures are calculated using a modified BAI methodology.

Residential Real Estate Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Dist. of Income & Real. Gains	- Return of Capital	= End of Period Market
09/2015	149,700,000	0	1,313,522	497,503	(0)	816,019	6,737,772	142,962,228
12/2015	142,962,228	0	1,313,522	497,503	0	816,019	6,737,772	136,224,456
03/2016	136,224,456	0	1,313,522	497,503	(0)	816,019	6,737,772	129,486,683
06/2016	129,486,683	0	1,313,522	497,503	0	816,019	6,737,772	122,748,911
09/2016	122,748,911	381,271	(180,856)	200,415	0	0	16,590,224	106,158,687
12/2016	106,158,687	0	2,567,931	520,013	1,328,500	2,047,918	16,327,104	91,160,083
03/2017	91,160,083	0	1,067,980	278,000	0	789,980	527,000	90,633,083
06/2017	90,633,083	0	733,100	239,660	0	493,440	25,100	90,607,983
09/2017	90,607,983	191,474	215,266	406,740	21,795,349	0	7,770,000	104,633,332
12/2017	104,633,332	0	1,377,513	479,530	0	897,983	27,995,332	76,638,000
03/2018	76,638,000	0	780,233	332,140	5,419,200	448,093	0	82,057,200
06/2018	82,057,200	0	585,635	499,043	0	86,592	0	82,057,200
09/2018	82,057,200	329,362	249,555	578,917	382,500	0	3,870,000	78,569,700
12/2018	78,569,700	0	756,605	543,893	635,124	212,712	25,136,124	54,068,700
03/2019	54,068,700	320,829	529,033	849,862	0	0	0	54,068,700
06/2019	54,068,700	0	443,413	41,011	0	402,402	0	54,068,700
09/2019	54,068,700	479,188	(3,659)	475,529	0	0	2,692,000	51,376,700
12/2019	51,376,700	0	1,011,713	450,284	0	561,429	12,793,400	38,583,300
03/2020	38,583,300	457,506	385,625	843,131	0	0	866,000	37,717,300
06/2020	37,717,300	0	425,416	358,076	896,000	67,340	52,134	38,561,166
09/2020	38,561,166	268,009	101,300	369,309	1,341,867	0	5,179,720	34,723,313
12/2020	34,723,313	0	854,422	432,045	1,715,133	422,377	6,595,000	29,843,446
03/2021	29,843,446	0	286,337	271,448	0	14,889	0	29,843,446
06/2021	29,843,446	0	286,337	271,448	1,940,554	14,889	0	31,784,000
09/2021	31,784,000	410,319	(5,357)	404,962	3,560,440	0	1,500,720	33,843,720
12/2021	33,843,720	23,250,000	617,713	316,799	0	300,914	33,390,720	23,703,000
03/2022	23,703,000	0	328,088	244,143	4,950,000	83,945	9,890,500	18,762,500
06/2022	18,762,500	0	1,427,136	231,706	0	1,195,430	0	18,762,500
09/2022	18,762,500	0	298,266	236,566	5,415,000	61,700	0	24,177,500
12/2022	24,177,500	0	298,266	236,566	0	61,700	16,405,187	7,772,313
03/2023	7,772,313	0	191,590	188,563	8,685,000	3,027	9,800,000	6,657,313
06/2023	6,657,313	23,525	199,946	223,471	0	0	0	6,657,313
09/2023	6,657,313	0	315,156	178,324	506,000	136,832	0	7,163,313
12/2023	7,163,313	54,728,395	315,156	178,324	506,000	136,832	6,006,000	56,391,708
03/2024	56,391,708	306,240	327,783	634,022	0	0	0	56,391,708
06/2024	56,391,708	306,240	327,783	634,022	0	0	2,099,820	54,291,888
09/2024	54,291,888	349,053	118,181	467,234	24,386,272	0	0	78,678,160
12/2024	78,678,160	0	598,662	580,168	1,188,000	18,494	16,262,720	63,603,440
03/2025	63,603,440	0	614,865	553,150	0	61,715	0	63,603,440
06/2025	63,603,440	0	473,095	410,805	700,000	62,290	1,155,000	63,148,440
	0	81,801,410	24,173,316	16,149,331	235,050,939	11,847,000	249,880,894	63,148,440

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Timberland Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+	Capital Contri- butions	+	Accounting Income	-	Mgmt. Fees	+	Appre- ciation	-	Distri- butions	=	End of Period Market
09/2015	1,174,000,000		0		15,734,434		5,049,044		0		10,685,391		1,174,000,000
12/2015	1,174,000,000		0		15,734,434		5,049,044		0		10,685,391		1,174,000,000
03/2016	1,174,000,000		0		15,734,434		5,049,044		0		10,685,391		1,174,000,000
06/2016	1,174,000,000		0		15,734,434		5,049,044		0		10,685,391		1,174,000,000
09/2016	1,174,000,000		0		31,000,749		6,825,496		0		24,175,253		1,174,000,000
12/2016	1,174,000,000		2,503,786		11,714,928		5,848,099		0		5,866,829		1,176,503,786
03/2017	1,176,503,786		4,320,365		16,937,064		4,381,542		0		12,555,522		1,180,824,151
06/2017	1,180,824,151		2,111,403		4,896,281		7,007,684		0		0		1,180,824,151
09/2017	1,180,824,151		0		23,950,872		6,171,175		0		17,779,697		1,180,824,151
12/2017	1,180,824,151		0		12,859,562		5,492,071		0		7,367,491		1,180,824,151
03/2018	1,180,824,151		0		20,321,021		4,354,624		0		15,966,397		1,180,824,151
06/2018	1,180,824,151		0		9,088,810		6,580,333		0		2,508,477		1,180,824,151
09/2018	1,180,824,151		0		25,565,025		6,616,709		0		18,948,316		1,180,824,151
12/2018	1,180,824,151		42,450,829		24,456,789		5,501,880		0		18,954,909		1,223,274,980
03/2019	1,223,274,980		0		15,276,769		4,827,971		0		10,448,798		1,223,274,980
06/2019	1,223,274,980		4,673,788		2,317,902		6,991,690		0		0		1,223,274,980
09/2019	1,223,274,980		0		23,812,783		6,242,732		0		17,570,051		1,223,274,980
12/2019	1,223,274,980		0		17,882,294		6,061,113		0		11,821,181		1,223,274,980
03/2020	1,223,274,980		0		18,638,361		3,762,953		0		14,875,408		1,223,274,980
06/2020	1,223,274,980		0		8,956,431		6,735,896		0		2,220,535		1,223,274,980
09/2020	1,223,274,980		0		25,452,127		5,987,474		0		19,464,653		1,223,274,980
12/2020	1,223,274,980		0		18,095,125		4,859,826		0		13,235,299		1,223,274,980
03/2021	1,223,274,980		0		27,260,805		3,960,254		0		23,300,551		1,223,274,980
06/2021	1,223,274,980		0		10,534,222		6,813,321		0		3,720,901		1,223,274,980
09/2021	1,223,274,980		0		26,825,218		6,108,460	336,725,020			20,716,758		1,560,000,000
12/2021	1,560,000,000		0		21,880,875		6,151,047		0		15,729,828		1,560,000,000
03/2022	1,560,000,000		0		22,475,223		4,043,218		0		18,432,005		1,560,000,000
06/2022	1,560,000,000		351,122		6,094,245		6,445,367		0		0		1,560,000,000
09/2022	1,560,000,000		0		24,778,014		6,221,904		0		18,556,110		1,560,000,000
12/2022	1,560,000,000		50,439,200		24,778,014		6,221,904		0		18,556,110		1,610,439,200
03/2023	1,610,439,200		0		19,176,978		4,906,442		0		14,270,536		1,610,439,200
06/2023	1,610,439,200		664,035		6,293,446		6,957,481		0		0		1,610,439,200
09/2023	1,610,439,200		0		24,062,348		6,484,572		0		17,577,776		1,610,439,200
12/2023	1,610,439,200		0		24,062,348		6,484,572		0		17,577,776		1,610,439,200
03/2024	1,610,439,200		0		17,377,394		6,820,228		0		10,557,166		1,610,439,200
06/2024	1,610,439,200		0		17,377,394		6,820,228		0		10,557,166		1,610,439,200
09/2024	1,610,439,200		0		26,334,463		6,509,596		0		19,824,867		1,610,439,200
12/2024	1,610,439,200		0		25,828,283		6,264,265		0		19,564,018		1,610,439,200
03/2025	1,610,439,200		0		16,805,704		4,508,270		0		12,297,434		1,610,439,200
06/2025	1,610,439,200		716,515		15,694,763		7,251,572		0		8,443,191		1,611,155,715
	0		108,231,043		731,800,367		233,418,142	1,510,725,020			506,182,573		1,611,155,715

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Land Bank Real Estate Portfolio Quarterly Changes in Market Value

	Beg. of Period Market	+ Capital Contri- butions	+ Accounting Income	- Mgmt. Fees	+ Appre- ciation	- Dist. of Income & Real. Gains	- Return of Capital	= End of Period Market
09/2015	4,983,428	6,737,772	12,610	0	0	0	0	11,733,810
12/2015	11,733,810	6,737,772	12,610	0	0	0	0	18,484,193
03/2016	18,484,193	6,737,772	12,610	0	0	0	0	25,234,575
06/2016	25,234,575	6,737,772	12,610	0	(0)	0	0	31,984,958
09/2016	31,984,958	16,590,224	55,135	0	0	10,979	125,023	48,494,315
12/2016	48,494,315	16,329,704	102,209	0	0	0	2,503,786	62,422,442
03/2017	62,422,442	17,792,000	154,985	0	0	0	4,320,365	76,049,062
06/2017	76,049,062	25,100	205,626	0	0	0	0	76,279,788
09/2017	76,279,788	7,770,000	241,789	0	0	0	0	84,291,577
12/2017	84,291,577	27,995,332	331,297	0	0	0	0	112,618,206
03/2018	112,618,206	8,490,000	421,714	0	0	0	0	121,529,920
06/2018	121,529,920	10,500	519,281	0	0	0	0	122,059,701
09/2018	122,059,701	3,870,000	582,578	0	0	0	0	126,512,279
12/2018	126,512,279	25,136,124	797,030	619,400	0	0	42,450,829	109,375,204
03/2019	109,375,204	0	682,236	318,673	0	0	0	109,738,767
06/2019	109,738,767	0	671,781	0	0	0	0	110,410,548
09/2019	110,410,548	4,252,500	669,149	0	0	0	0	115,332,197
12/2019	115,332,197	12,793,400	666,353	0	0	0	0	128,791,950
03/2020	128,791,950	865,200	632,842	0	0	0	0	130,289,992
06/2020	130,289,992	52,134	420,030	0	0	0	0	130,762,156
09/2020	130,762,156	5,159,720	220,108	0	0	0	0	136,141,984
12/2020	136,141,984	6,595,000	154,248	0	0	0	0	142,891,232
03/2021	142,891,232	0	165,325	0	0	0	0	143,056,557
06/2021	143,056,557	0	101,260	0	0	0	31,785,592	111,372,225
09/2021	111,372,225	1,500,720	58,036	0	0	0	4,021,508	108,909,473
12/2021	108,909,473	33,390,720	85,049	0	0	0	0	142,385,242
03/2022	142,385,242	9,890,500	97,817	0	0	0	0	152,373,559
06/2022	152,373,559	0	225,994	0	0	0	47,135,952	105,463,601
09/2022	105,463,601	0	591,748	0	0	0	0	106,055,349
12/2022	106,055,349	16,405,187	591,748	0	0	0	56,451,580	66,600,704
03/2023	66,600,704	9,800,000	362,549	0	0	0	0	76,763,253
06/2023	76,763,253	0	607,688	0	0	0	2,847,310	74,523,631
09/2023	74,523,631	0	221,314	0	0	0	0	74,744,944
12/2023	74,744,944	6,006,000	221,314	0	0	0	0	80,972,258
03/2024	80,972,258	0	259,123	0	0	0	0	81,231,381
06/2024	81,231,381	2,099,820	259,123	0	0	0	9,992,005	73,598,319
09/2024	73,598,319	0	817,628	0	0	0	1,888,442	72,527,505
12/2024	72,527,505	16,262,720	815,446	0	0	4,047,491	0	85,558,180
03/2025	85,558,180	0	857,665	0	0	1,309,681	0	85,106,164
06/2025	85,106,164	1,155,000	843,472	0	0	716,515	10,368,763	76,019,358
	0	277,188,694	14,761,130	938,073	4,983,428	6,084,666	213,891,155	76,019,358

Cash flows, including market values and management fees, were provided by Idaho Department of Lands using their internal methodology which may be subject to change. The cash flow and categorizations have not been independently verified by Callan for accuracy or consistency with industry standards. Specific dates for each individual cash flow were not provided. To convert the non-specific cash flow information to a format that could be used in performance calculations, Callan assumed all cashflows occurred at mid-quarter to arrive at quarterly performance numbers. Performance figures are calculated using a modified BAI methodology.

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

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Manager Name

Aberdeen Investments
Acadian Asset Management LLC
Adams Street Partners, LLC
Aegon Asset Management
AEW Capital Management, L.P.
AllianceBernstein
Allspring Global Investments, LLC
Altrinsic Global Advisors, LLC
American Century Investments
Antares Capital LP
Apollo Global Management, Inc.
AQR Capital Management
Ares Management LLC
ARGA Investment Management, LP
Ariel Investments, LLC
Aristotle Capital Management, LLC
Atlanta Capital Management Co., LLC

Manager Name

Baillie Gifford International, LLC
Baird Advisors
Barings LLC
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
Black Creek Investment Management Inc.
BlackRock
Blackstone Group (The)
Blue Owl Capital, Inc.
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brookfield Asset Management Inc.
Brown Brothers Harriman & Company
Brown Investment Advisory & Trust Company
Capital Group

Manager Name

CastleArk Management, LLC

Centerbridge Partners, L.P.

Cercano Management LLC

CIBC Asset Management

CIM Group, LP

ClearBridge Investments, LLC

Cohen & Steers Capital Management, Inc.

Columbia Threadneedle Investments

Comgest

Comvest Partners

Crescent Capital Group LP

Dana Investment Advisors, Inc.

DePrince, Race & Zollo, Inc.

Dimensional Fund Advisors L.P.

DoubleLine

DWS

EARNEST Partners, LLC

Fayez Sarofim & Company

Federated Hermes, Inc.

Fengate Asset Management

Fidelity Institutional Asset Management

Fiera Capital Corporation

First Eagle Investment Management, LLC

First Hawaiian Bank Wealth Management Division

Fisher Investments

Fortress Investment Group

Franklin Templeton

Fred Alger Management, LLC

GAMCO Investors, Inc.

GlobeFlex Capital, L.P.

Goldman Sachs

Golub Capital

GW&K Investment Management

Harbor Capital Group Trust

Hardman Johnston Global Advisors LLC

Heitman LLC

Hotchkis & Wiley Capital Management, LLC

HPS Investment Partners, LLC

IFM Investors

Impax Asset Management LLC

Manager Name

Income Research + Management

Insight Investment

Invesco

I Squared Capital Advisors (US) LLC

J.P. Morgan

Janus

Jennison Associates LLC

Jobs Peak Advisors

Kayne Anderson Capital Advisors LP

Kayne Anderson Rudnick Investment Management, LLC

King Street Capital Management, L.P.

Lazard Asset Management

LGIM America

Lincoln National Corporation

Longview Partners

Loomis, Sayles & Company, L.P.

Lord, Abnett & Co.

LSV Asset Management

MacKay Shields LLC

Mackenzie Investments

Macquarie Asset Management

Man Group

Manulife Investment Management

Marathon Asset Management, L.P.

Mawer Investment Management Ltd.

MetLife Investment Management

MFS Investment Management

Mondrian Investment Partners Limited

Montag & Caldwell, LLC

Morgan Stanley Investment Management

MUFG Bank, Ltd.

Natixis Investment Managers

Neuberger Berman

Newton Investment Management

New York Life Investment Management LLC (NYLIM)

Ninety One North America, Inc.

Nomura Capital Management, LLC

Northern Trust Asset Management

Nuveen

Oak Hill Advisors, L.P.

Manager Name

Oaktree Capital Management, L.P.

ORIX Corporation USA

P/E Investments

Pacific Investment Management Company

Pantheon Ventures

Parametric Portfolio Associates LLC

Partners Group (USA) Inc.

Pathway Capital Management, LP

Peavine Capital

Peregrine Capital Management, LLC

PGIM DC Solutions

PGIM Fixed Income

PGIM Quantitative Solutions LLC

Pictet Asset Management

PineBridge Investments

Polen Capital Management, LLC

PPM America, Inc.

Pretium Partners, LLC

Principal Asset Management

Raymond James Investment Management

RBC Global Asset Management

Regions Financial Corporation

Robeco Institutional Asset Management, US Inc.

Sands Capital Management

Schroder Investment Management North America Inc.

Segall Bryant & Hamill

Manager Name

Silver Point Capital, LP

SLC Management

Star Mountain Capital, LLC

State Street Investments Managers

Strategic Global Advisors, LLC

TD Global Investment Solutions – TD Epoch

T. Rowe Price Associates, Inc.

The Carlyle Group

The D.E. Shaw Group

The TCW Group, Inc.

Thompson, Siegel & Walmsley LLC

TPG Angelo Gordon

VanEck

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management, Inc.

Voya

Walter Scott & Partners Limited

Wasatch Global Investors

WCM Investment Management

Wellington Management Company LLP

Western Asset Management Company LLC

Westfield Capital Management Company, L.P.

William Blair & Company LLC

Xponance, Inc.

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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.

STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Consent Agenda

Subject

Geothermal Lease Live Auction—August 13, 2025

Question Presented

Shall the State Board of Land Commissioners (Land Board) direct the Idaho Department of Lands (Department) to award geothermal lease H800110 to the high bidder at the live auction?

Background

The Department received an application for a geothermal lease on a 5,881.66-acre block of Public School endowment land located northwest of Grays Lake in Bonneville County. A site map is included as Attachment 1.

Pursuant to Idaho Code § 58-307(5), the Department consulted with the Bonneville County Commissioners and also held a separate public meeting regarding the proposed geothermal lease. Department staff met on March 4, 2025 with the county commissioners at their regular meeting outlining the details of the proposed lease and the Department's leasing process. The county commissioners identified concerns about water use and road use, but did not object to the project.

The Department held a public meeting on March 26, 2025 at the Department's Idaho Falls office. The public meeting was advertised on the Department's public website for 30 days and a legal notice for the meeting was published for 4 weeks in the Bonneville County newspaper. Two people attended the public meeting: a Bonneville County Commissioner and an attorney for a geothermal development company not associated with the project. No comments were made by the attendees.

A similarly advertised public comment period was opened 30 days prior to the March 26, 2025 public meeting. The public comment period closed one week after the meeting. No comments were submitted.

Pursuant to Idaho statute and Department procedure, the public auction was advertised and held to determine the high bidder for the lease. Auction participants 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 geothermal lease, a live auction was held on August 13, 2025, at the Department's Eastern Area office in Idaho Falls. Velikan Renewables LLC (also known as Fervo Energy) submitted a successful premium bid of \$5,900 for geothermal lease H800110. Zanskar Geothermal & Minerals, Inc. also registered for the auction, but chose not to bid. The lease includes a 49-year term for the extraction of geothermal resources, with annual rent of \$47,053, and a royalty rate for the generation of electricity that begins at 3.5%, increases to 4.0% for years 16 to 30 of the lease, and then rises to 4.5% for the remainder of the lease. Attachment 2 summarizes the results of the live auction.

Idaho Code § 58-310(4) provides that the 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.

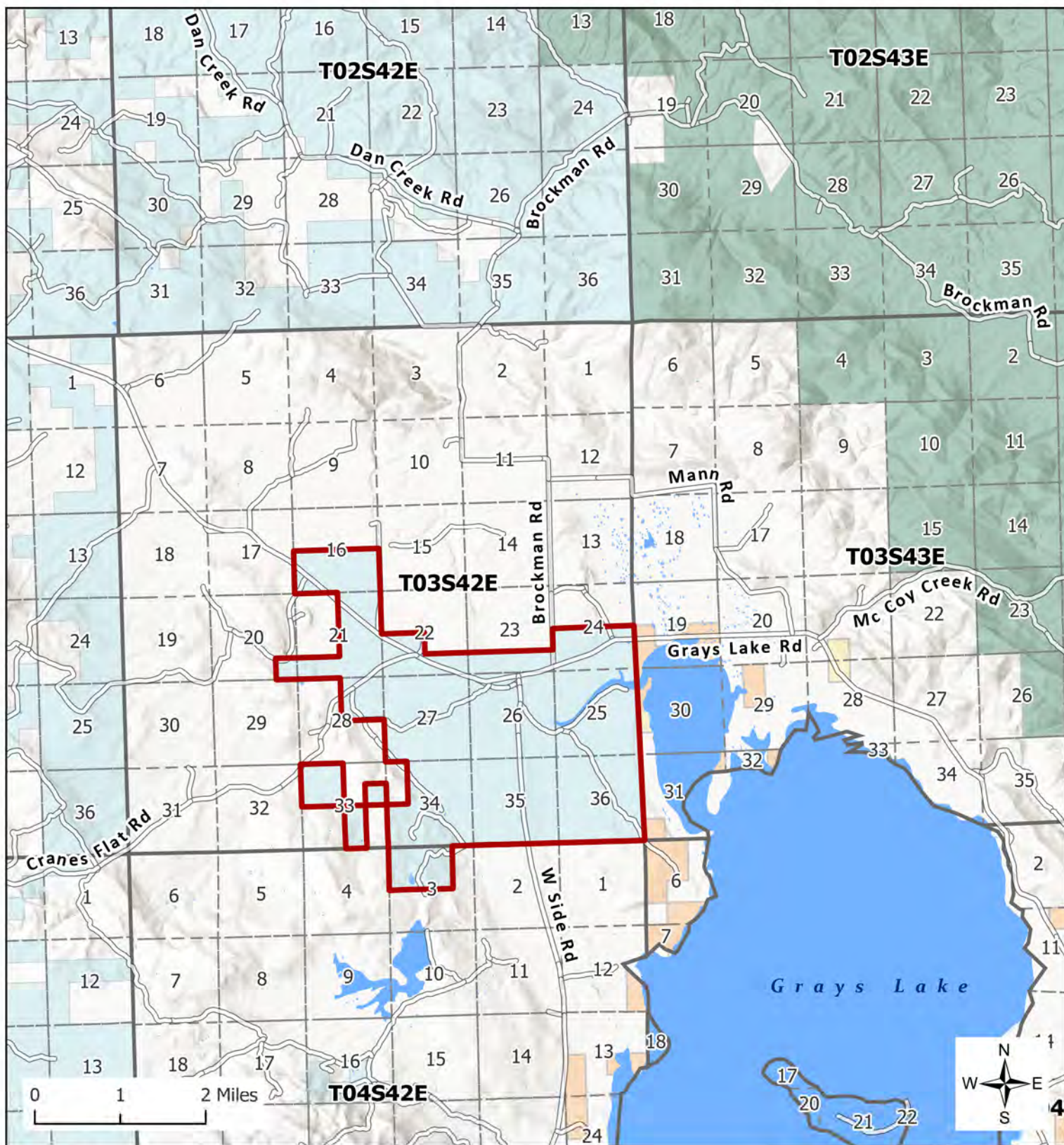
Recommendation

Direct the Department to award geothermal lease H800110 to Velikan Renewables LLC, the high bidder at the auction.

Board Action

Attachments

1. Site Map
2. Auction Summary

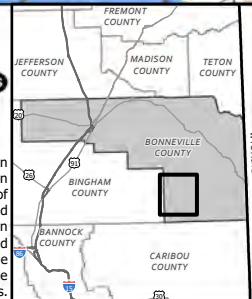


- Subject Lease
- Roads
- BLM
- USFS
- Tribal Land
- State
- Private

H800110
 T03S - R42E
 T04S - R42E
 Bonneville County, Idaho
 8/16/2023



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.



Summary of August 13, 2025 Geothermal Lease Live Auction

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Eastern– Idaho Falls	H800110	PS	49	5,881.66	Geothermal Resources	2	1	\$5,900	Velikan Renewables LLC

Total : \$5,900

STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Consent Agenda

Subject

Request approval to sell surplus property owned by the Idaho Department of Fish and Game and the Idaho Fish and Game Commission (collectively "IDFG").

Question Presented

Shall the Land Board authorize the Idaho Department of Lands (Department) to declare as surplus and dispose of the Idaho Fish and Game Department property known as the Emmett Airport Pond (Airport Pond)?

Background

IDFG requested approval via letter dated August 19, 2025, for the State Board of Land Commissioners (Land Board) to declare its ownership interest in the Airport Pond as surplus property and to dispose of the property pursuant to the Surplus Property Act, Idaho Code §§ 58-331–335 (Attachment 1).

The Emmett Airport Pond is approximately 16.81 acres and is located in the NW¼ of Section 4, Township 6 North, Range 2 West, Boise Meridian, Gem County, Idaho. The property lies north of the Emmett Municipal Airport and the Golf Course that are owned by the City of Emmett. The site has no assigned site address and is identified by parcel location and legal description (Attachment 2).

IDFG acquired the Airport Pond property from the Idaho Transportation Department (ITD) in 1967 for use as a public fishing, walking, and wildlife viewing site. Over time, the fishery quality at Airport Pond has declined, and continued maintenance of the site has become cost-prohibitive for a program with limited resources. Additionally, the presence of nearby Dick Knox and Sawyer Ponds—both of which are larger, deeper, and more accessible—provides sufficient public fishing opportunities within close proximity, thereby diminishing the recreational value and management justification for maintaining the Airport Pond site.

Prior to IDFG's ownership, ITD utilized the property as a material and gravel source. Historical records indicate that access to the site was limited to a haul road easement extending from Airport Road through an adjoining private parcel (Attachment 3). Following a recent change in ownership of the adjoining private property, IDFG no longer has reliable ingress and egress to the site. As a result, administrative and public access have been restricted, and the property is currently closed to public use.

Given the lack of access, declining fishery conditions, and limited management benefit, IDFG has determined that continued ownership of the Airport Pond property is no longer in IDFG's best interest and is therefore seeking to dispose of the parcel.

The Airport Pond was appraised by Sam Langston of Langston & Associates, Inc. on August 28, 2025, with an "as-is" market value of \$50,000. Langston determined the highest and best use of the property, given its limited access, would likely be residential or open space/agricultural use as an assemblage to an adjacent property.

Discussion

Pursuant to Idaho Code § 58-331, custody and control of the Airport Pond 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 first notify other state agencies to determine if any of them are interested in purchasing the Airport Pond property. If no other state agencies express interest in the Airport Pond, the Department will then 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 Airport Pond at public auction in Gem or Ada County. If the Airport Pond property does not sell at auction, the Department will advertise and accept adequate and valuable consideration in a negotiated sale.

Based on conversations Department staff have had with representatives from the City of Emmett Public Works, an adjoining landowner, the City of Emmett has expressed interest in acquiring the property. However, the Department must follow the Surplus Property Act, Idaho Code §§ 58-331–335, for the Airport Pond's disposition and will engage in the above-described notification process. City of Emmett has been advised that the Airport Pond property must be offered for sale to state agencies before the city will have the opportunity to express interest in acquiring it.

Recommendation

Direct the Department to offer the Airport Pond property for disposition in accordance with the Surplus Property Act, Idaho Code §§ 58-331–335; and, if public auction is ultimately necessary, authorize the Department to offer the Airport Pond at public auction in Gem or Ada County.

Board Action

Attachments

1. IDFG Surplus Request, dated August 19, 2025
2. Map of Emmett Airport Pond property
3. Haul Road Easement Map



IDAHO DEPARTMENT OF FISH AND GAME

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

Brad Little / Governor
Jim Fredericks / Director

August 19, 2025

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

RE: Request for Surplus Land Sale

Dear Ladies and Gentlemen:

The Idaho Department of Fish and Game and its Commission (IDFG) declared as surplus to its needs, the following property:

1. Emmett Airport Pond Access Site: 16.81 acres, Gem County

T 06 N, R 02 W, Sec. 14.

A parcel of land being a portion of the North Half of the Southeast Quarter of Section Fourteen (14), Township Six (6) North, Range Two (2) West, Boise Meridian, Gem County, Idaho described as follows, to-wit:

Beginning at the Southwest corner of the Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4) of Section Fourteen (14), Township Six (6) North, Range Two (2) West, Boise Meridian; thence South 89°18' East along the South line of said Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4), a distance of 678.5 feet; thence North 0°54' East 429.0 feet; thence North 72°13' West 720.0 feet, more or less, to a point in the West line of said Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4); thence North 81°16' West 201.0 feet; thence South 79°39' West 183.5 feet; thence South 30°36' West 372.5 feet; thence South 19°15' West 194.0 feet; thence South 49°35' West 216.5 feet to a point in the South line of the Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4) of said Section Fourteen (14); thence North 89°38' East along said last South line 797.6 feet, more or less, to the Place of Beginning, together with all rights of ingress or egress, if any, as held by the Highway Department, on and across the South 25.0 feet of the East 632.0 feet of said Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4) of said Section Fourteen (14). The area being conveyed is 16.81 acres, more or less.

The property was originally acquired and used to provide a public fishing opportunity as well as a walking and wildlife viewing destination. It has historically served as a small

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bass and bluegill fishery for anglers in the Emmett area but the quality of the fishery has declined over time. Ownership and maintenance of fishing access sites is costly and time consuming, especially in a program with limited operating funds and staff. When nearby Dick Knox Pond was donated to IDFG in 2018, it created a situation where three community fishing ponds were located within a half mile of one another (Sawyer Ponds also services the area) and began to stretch the limits of IDFGs management capabilities and provided little added value. Because Dick Knox and Sawyer Ponds are larger, deeper, and more accessible, they provide a better fishery and are more attractive to the public. In addition, legal access to the property is not secure, as described below, and the property is currently closed to public use.

The property was acquired by IDFG in 1967 using dedicated funds from the sale of hunting, fishing and trapping licenses. IDFG is aware of the following special features of the property:

1. Known hazards: NONE
2. Existing utilities: There are no utilities that service the property, however a powerline does run adjacent providing access to power.
3. Leasehold interests and existing leases: There are no existing leases.
4. Mineral and Water Rights: Water Right 65-7486 for 64-acre feet of recreational storage water will go with the sale of the property. IDFG will also relinquish any mineral rights with the sale of the property.
5. Improvement: Gravel roads surround the perimeter of the pond. And old wooden toilet structure is located on the East side of the property.
6. Easements and encumbrances: In 1974 a license was issued to the City of Emmett to install a pipeline and water pump to pump water from the pond to the adjacent Emmett Golf Course.

Access to the property has historically been from Airport Road through a private parcel to the SE corner of the property. Although a haul road easement does exist through the private parcel, administrative and public access was also supported by the private landowner. A recent change in ownership to that private parcel has resulted in challenges to the rights of ingress and egress and has forced IDFG to shut down access to the property.

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

Sincerely,

Jon Oswald

Digitally signed by Jon
Oswald
Date: 2025.08.19 14:52:38
-06'00'

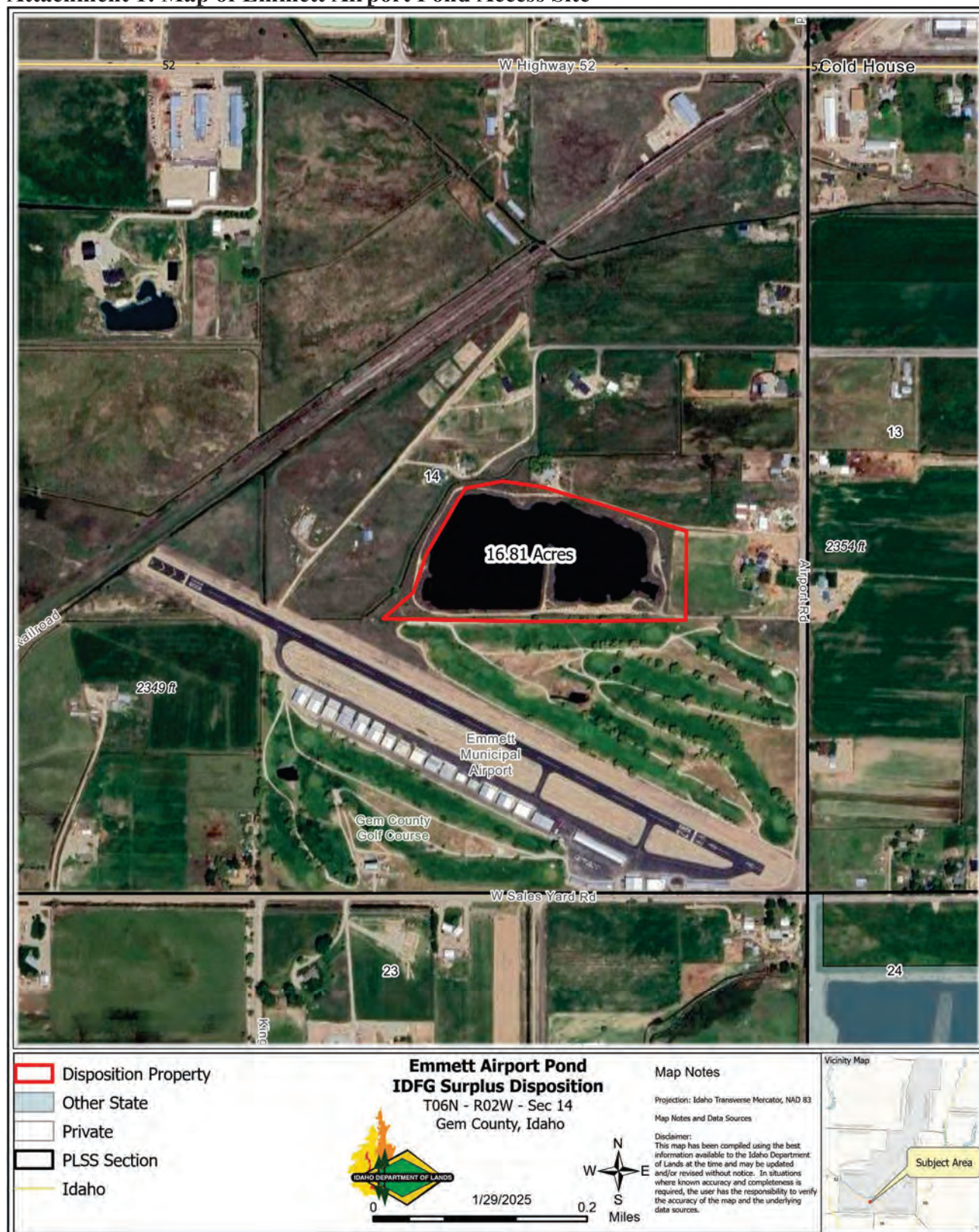
Jon Oswald
Chief, Bureau of Administration

JO/CBP

Attachments

1. Map of Emmett Airport Pond Access Site
2. Warranty Deed
3. Water Rights
4. Haul Road Easement
5. Pipeline License

Attachment 1: Map of Emmett Airport Pond Access Site



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STATE OF IDAHO DEED

Number 10,040
 Certificate No. 24 422
 SURPLUS PROPERTY

To All to Whom These Presents Shall Come, Greetings:

Whereas, on the 8 day of SEPTEMBER 1967, all that tract or parcel of DEPARTMENT OF HIGHWAYS-SURPLUS land of the State of Idaho, hereinafter mentioned and particularly described, was sold in the manner provided by law to IDAHO FISH AND GAME DEPARTMENT

of Boise, State of Idaho, for the aggregate price of SEVENTY-FIVE AND NO/100 DOLLARS

And Whereas, the said sum of SEVENTY-FIVE AND NO/100 DOLLARS has been fully paid to the proper receiving officer for the State of Idaho, by IDAHO FISH AND GAME DEPARTMENT, 600 South Walnut Street, Boise, Idaho

as shown by the records in the office of the State Board of Land Commissioners, the said sum being the whole amount of the purchase price for the said tract or parcel of land hereinafter described:

Now, Know Ye, That the said State of Idaho, in pursuance of law in such case made and provided, and in consideration of the premises aforesaid, and of the aforesaid sum of SEVENTY-FIVE AND NO/100 DOLLARS to the said State of Idaho paid, doth by these presents grant, bargain, sell, convey and confirm, in fee, unto the said IDAHO FISH AND GAME DEPARTMENT their heirs and assigns, all of the said tract and parcel of land situated in the County of GEM and State of Idaho, and described as follows, to-wit:

A parcel of land being a portion of the North Half of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section Fourteen (14), Township Six (6) North, Range Two (2) West, Boise Meridian, described as follows, to-wit: Beginning at the Southwest corner of the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section Fourteen (14), Township Six (6) North, Range Two (2) West, Boise Meridian; thence South 89°18' East along the South line of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$), a distance of 678.5 feet; thence North 0°54' East - 429.0 feet; thence North 72°13' West - 330.0 feet; ...

(NE $\frac{1}{4}$ SE $\frac{1}{4}$), a distance of 678.5 feet; thence North 0°54' East - 429.0 feet; thence North 72°13' West - 720.0 feet, more or less, to a point in the West line of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$); thence North 81°16' West - 201.0 feet; thence South 79°39' West - 183.5 feet; thence South 30°36' West - 372.5 feet; thence South 19°15' West - 194.0 feet; thence South 49°35' West - 216.5 feet to a point in the South line of the Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section Fourteen (14); thence North 89°38' East along said last South line 797.6 feet, more or less, to the Place of Beginning, together with all rights of ingress or egress, if any, as held by the Highway Department, on and across the South 25.0 feet of the East 632.0 feet of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section Fourteen (14). The area being conveyed by this deed is 16.81 acres, more or less.

To have and to hold the said premises and parcel of land above particularly described, with the appurtenances thereon, unto the said

IDAHO FISH AND GAME DEPARTMENT

their heirs and assigns, in fee simple forever, subject to the provisions of Section 58-604, Idaho Code, as amended by Chapter 44, 1951 Session Laws; which grants over all lands belonging to the State a right of way for ditches constructed by authority of the United States; and to the provisions of Section 47-701, Idaho Code, reserving to the State all Mineral rights in lands sold subsequent to the 8th day of May, 1923. / including Sand and Gravel

In Witness Whereof, I, DON SAMUELSON, the Governor of the State of Idaho, have hereunto signed my name and caused the Great Seal of the State of Idaho and the Seal of the Board of Land Commissioners to be hereunto affixed, this 6 day of October, 1967 A.D.

Countersigned:

Pete T. Cenarrusa
Secretary of State

Don Samuelson
Governor of Idaho and President of
State Board of Land Commissioners

Countersigned:

G. C. Trombley
State Land Commissioner

STATE OF IDAHO,
County of Ada, } ss.

On this 6 day of October, in the year 1967, A.D. before

me, a Notary Public in and for said State, personally appeared Don Samuelson, known to me to be the Governor of the State of Idaho, and Pete T. Cenarrusa, known to me to be the Secretary of the State of Idaho, and G. C. Trombley, known to me to be the Land Commissioner of the State of Idaho, who executed said instrument and acknowledged to me that such State of Idaho executed the same.

In Witness Whereof, I have hereunto set my hand and seal on the day and year last above written.



John B. Brogan
Notary Public residing at Boise, Idaho



94787

/ State of Idaho

to

/ Idaho Fish and Game Dept. /

STATE OF IDAHO }
COUNTY OF GEM } SS

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD AT REQUEST OF T. D. Biladeau

AT 02 MINUTES PAST 8

O'CLOCK A.M. THIS 27th

DAY OF November 19 67 IN MY

OFFICE AND DULY RECORDED AS A

Deed UNDER

INSTRUMENT NO. 94787

Wm. J. Karaman
EX-OFFICIO RECORDER

BY _____

FEES \$ 1.50 DEPUTY

INDEXED

De Rm 25

Base

1577

Attachment 3: Water Rights

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

License of Water Right No. 65-7486 Priority May 20, 1974 Amount 64 acre feet

THIS IS TO CERTIFY, that the State of Idaho, Department of Fish & Game
of Boise, Idaho, has complied with the terms and conditions of Permit
No. 65-7486 issued pursuant to Application for Permit dated May 20, 1974,
and has submitted proof to the Department of Water Resources on June 17, 1975,
that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
capacity for the storage of 64 acre feet of water from a ground water source,
tributary to _____, and that the permit holder has applied to a beneficial use and
established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
Storage for	from <u>Jan. 1</u> to <u>Dec. 31</u>	at <u>n/a</u> cfs and	<u>64 acre feet</u>
Recreation	from _____ to _____	at _____ cfs and	_____
Recreation	from <u>Jan. 1</u> to <u>Dec. 31</u>	at <u>0.50</u> cfs and	<u>n/a</u>

(both dates inclusive)

Subject, however, to the condition that no more than 64 acre feet of water be stored at any one time, and
that the amount of water so stored and to which such right is entitled and confirmed is for the purpose
aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
64 acre feet per year, said waters to be diverted within the NE $\frac{1}{4}$ SE $\frac{1}{4}$ & NW $\frac{1}{4}$ SE $\frac{1}{4}$ of
Sec. 14, Twp. 6 N, Rge. 2 W, B. M. in the County of Gem

Description and location of place of use:

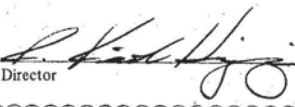
Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				Totals
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
6 N	2 W	14														X	X		

Total number of acres irrigated _____

NOTE: Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho
Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use
herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 21 day of
October, 19 75.


Director

Attachment 4: Haul Road Easement

HAUL ROAD EASEMENT

KNOW ALL MEN BY THESE PRESENTS, That Burl Jones and Doris Jones
for and in consideration of the certain benefits to them accruing, and the
sum 7.00 Dollar (\$ 0.00), to _____ in hand paid, the
receipt whereof is hereby acknowledged, does by these presents grant unto
the STATE OF IDAHO permission to occupy a strip of land 25 feet in width
for the purpose of constructing, using and maintaining a haul road to a
materials site in the NE 1/4 of Section 14, Township 6 North, Range 2 West,
B.M.

Said strip of land being the Southerly 25 feet of the Easterly 632.0
feet of the NE 1/4 of said Section 14, and is shown colored in red on the
print marked exhibit "A" attached hereto and hereby made a part hereof.

Together with the right and privilege of ingress and egress to and
from said location and haul road for the above mentioned purposes.

IN WITNESS WHEREOF, They have hereunto set their hand s
and seal this 17th day of January, 1953.

Burl Jones
Doris Jones

STATE OF Idaho }
County of Lemhi } ss

On this 17 day of January, 1953, before me,
the undersigned, a Notary Public in and for the said State, personally
appeared Burl Jones and Doris Jones his wife
known to me to be the person s whose name are subscribed to
the foregoing instrument, and acknowledged to me that They executed
the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.

(Seal)

Lewis L. Hambley
Notary Public in and for the State of
Idaho Residing at Leadsbury

Attachment 5: Pipeline License

LICENSE

THIS LICENSE, made and entered into this _____ day of July, 1974, by and between the State of Idaho Fish and Game Department, Party of the First Part, and the City of Emmett, Idaho, a municipal corporation, Party of the Second Part,

W I T N E S S E T H :

WHEREAS, the Party of the First Part is the owner in fee simple of a pond and tract of land known as the "Airport Pond" and located with N 1/2 SE 1/4 Sec. 14., T 6N, R2 West Boise Meridian, Gem County, Idaho.

NOW, THEREFORE, the Party of the First Part does hereby license the Party of the Second Part to install a pipeline and water pump and to pump water from said "Airport Pond" for the purpose of watering the Emmett Golf Course, together with a right-of-way across its lands for said pipeline from said pond to the adjoining lands of the Party of the Second Part.

1. The term length of this license shall be twenty-five (25) years and shall commence May 1, 1974 and shall terminate May 1, 1999.

2. The Party of the Second Part agrees to pay to the Party of the First Part, as annual rent, \$1.00 per year and other good and valuable consideration for this license, the receipt of which is hereby acknowledged.

3. The party of the First Part reserves the right to impose reasonable regulations concerning the amount of use and time of use of the pump located on the hereinabove described land that, in its judgment may be necessary for management of the pond with the following specifications:

- a. Installation of pipe lines shall all be underground with no surface construction within the pond property boundaries and the pumping plant shall be amply fenced and screened to exclude children and adults for protection of life.
 - b. Said pipeline shall not exceed 6 inches in diameter and the Party of the Second Part is limited to the installation of only one pipeline 6 inches in diameter.
 - c. A staff gauge be installed and the water level monitored to pump only to minus 1.5 feet on the gauge, zero on said gauge being the normal high elevation of said pond.
 - d. If pumping causes any difficulty with water quality the Party of the First Part will cause the Party of the Second Part to stop pumping at any time upon fifteen (15) days notice to the City Clerk of the City of Emmett, Idaho.
 - e. That a tap be made available to run 8-10 rainbirds on the Party of the First Part's property at no charge to the Party of the First Part if the Party of the First Part should wish to develop the pond site.
 - f. The Party of the Second Part shall pay all water pumping costs and said pump intake shall be properly screened to exclude fish from the pump.
4. THIS LICENSE may not be assigned without written permission from the Party of the First Part to so assign.
5. The Party of the Second Part agrees to indemnify, save harmless and defend the Party of the First Part from any and all liability, claims, loss, costs, damage or expense arising by reason of any personal injury including death to any person or damage to any property of whatsoever ownership occurring on the hereinabove described lands and arising in connection with the Party of the Second Part's use or occupation thereof.
- IN WITNESS WHEREOF, the Parties have hereunto set their hands and affixed their seals the day and year first above written.

LICENSE, p. 2

PARTY OF THE FIRST PART:

IDAHO FISH AND GAME DEPARTMENT

By:

Joseph C. Greenley
Joseph C. Greenley, Director

PARTY OF THE SECOND PART:

CITY OF EMMETT, IDAHO

By:

Ed Meyer
Mayor

ATTEST:

Louis B. Meserole
Clerk

Approved as to content and form
this 22 day of July, 1974.

T. J. Jones, III
T. J. Jones, III, Legal Counsel
Idaho Fish and Game Department

LICENSE, p. 3



Disposition Property

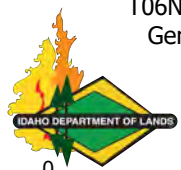
 Other State

 Private

 PLSS Section

Idaho

Emmett Airport Pond
IDFG Surplus Disposition
T06N - R02W - Sec 14
Gem County, Idaho



1/29/2025

Map Notes

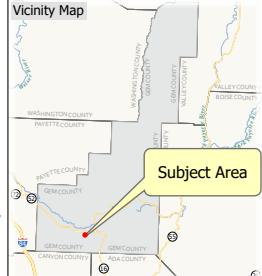
Projection: Idaho Transverse Mercator, NAD 83

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.



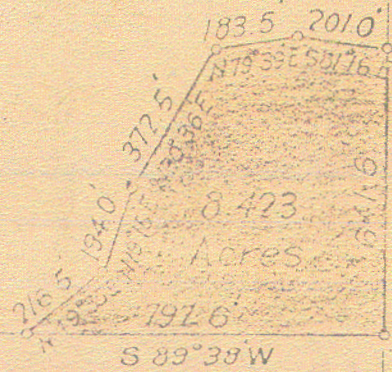
Vicinity Map



T 6 N, R 2 W B.M.

NW 1/4 SE 4 14

NE 1/4 SE 4 14



8.39 Ac.
State Owned
Pit G.M. 28

CITY OF EMMETT
AIRPORT
S 1/2 S.E. 4 SEC. 14

1320' to Sta. 147+15.7
1/4 Corner Found

Tire pump base
4' under ground

Haul Easement

SOUTH

Spike

Graveled Co. Road

14 13
Cor. not Found

23 24

Land required for
be purchased by
Tom Pulley Emm

Haul road Easement

8.39
8.423
16.813 acres

need 16.813 acres

STATE OF
DEPARTMENT OF
Map Sheet
ADDITIONAL MAP
S-383
VANDERDASSEN SC
GEM CO

Scale - 1" = 100'

Boise Idaho



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
September 16, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, September 16, 2025 at the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho, and via webinar. The meeting began at 8:59 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 Land Board members were present at the physical location. The meeting began with a quorum consisting of Governor Little, Attorney General Labrador, Controller Woolf, and Superintendent Critchfield. Secretary of State McGrane arrived after the meeting started.

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—August 2025
 - B. Leases/Permits Transactions and Revenue—August 2025
 - C. Fire Season Update

Discussion: Referring to the Fire Season Update report, Governor Little asked why the table on page 3 was labeled Fire Deficiency Warrant given that sufficient funds were available. Director Miller explained that the label reflects a traditional reporting format; since the fire account was prefunded, current spending is not truly a deficiency. He confirmed adequate cash on hand to cover costs and said figures should be refined by October. Director Miller praised firefighting crews for quickly containing the vast majority of roughly 360 fires through aggressive initial attack.

Controller Woolf commended the Department and asked about the timeline for final cost reconciliation. Director Miller said it can take months, with federal accounts often two to three years behind due to billing volume. Current figures remain estimates until all partner invoices are received. Governor Little asked whether the state ultimately owes or is owed funds by federal partners. Director Miller replied that it varies by incident and promised additional detail in a future update.

Superintendent Critchfield added appreciation for the Department's work, noting that despite more fires over the past five years, total acreage burned has decreased.

2. Endowment Fund Investment Board—presented by Chris Anton, EFIB Manager of Investments
 - A. Manager's Report
 - B. Investment Report

Discussion: Mr. Anton reported that the investment portfolio performed well in August, rising 2% for the month and 2.4% fiscal year-to-date, with gains increasing to 4.5% as of yesterday [9/15]. He attributed market strength primarily to strong corporate earnings—particularly in the technology sector—and significant investment in AI infrastructure. Mr. Anton noted Apple's announcement of a \$600 billion domestic investment plan and cited growth in chip stocks such as Micron as key contributors to GDP and corporate profitability. He added that market optimism was also driven by expectations that the Federal Reserve would announce an interest rate cut after nine months of holding rates steady, which would further support economic activity. Mr. Anton highlighted improved performance by investment manager Barrow Hanley, noting returns of 11% through August and 14.5% as of the previous day, a strong rebound from prior underperformance.

Governor Little asked whether the Investment Board planned to adjust its asset allocation between equities and fixed income in response to potential interest rate changes. Mr. Anton said the Investment Board is comfortable with the current portfolio structure but would rebalance as needed if fixed income pricing shifts following a rate change.

Consent—Action Item(s)

3. August 6, 2025 Live Auction, Grazing Lease G700347—presented by Addie Faust, Program Manager-Natural Resources Leasing

Recommendation: Direct the Department to award the new grazing lease, GR70000678, to Gerald Martens.

Discussion: None.

4. Approval of Draft Minutes—August 19, 2025 Regular Meeting

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 4-0.

For the record, Secretary of State McGrane arrived at approximately 9:16 a.m., as the presentation of agenda item 5 began.

Regular—Action Item(s)

5. FY2027 Department of Lands Budget—presented by Dustin Miller, Director

Recommendation: Approve the Department's FY2027 budget request as submitted to Division of Financial Management and Legislative Services Office on Friday, August 29, 2025.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Department's FY2027 budget proposal that was submitted on August 29, 2025 to LSO and DFM. Superintendent Critchfield seconded the motion. For the record, Governor Little abstained from voting. The motion carried on a vote of 4-0.

6. August 5, 2025 Live Auction and Approval of Solar Lease M600110—presented by Jason Laney, Section Manager-Leasing

Recommendation: Approve auction results for lease M600110, provide final approval of lease M600110, and direct the Department to award the lease to D.E. Shaw Renewable Investments.

Discussion: Governor Little asked if the applicant provides bonding; Mr. Laney confirmed they do. Secretary of State McGrane asked whether there was an existing grazing lease on the property and if the lessee had been notified about the potential change in land use. Mr. Laney confirmed that communication occurred multiple times—upon application, mid-negotiation, and again as the lease neared finalization—to inform the lessee of the proposed use change.

Controller Woolf requested an overview of the project timeline. Mr. Laney said development typically takes three to five years, followed by one to two years of construction before entering into production. When asked about the rent range of \$3-5 million with annual escalation, he explained that rent is based on the greater of a fixed per-acre rate or a percentage of power sales, with final amounts depending on production and the solar array footprint. Governor Little asked if a land use permit was required. Mr. Laney replied that no separate land use permit applies to this lease.

Attorney General Labrador inquired about the lease size, rent structure, and revenue estimates, questioning the \$3–5 million projection. Mr. Laney clarified that the negotiated production rent is \$1,000 per acre for approximately 5,233 acres, making the minimum payment roughly \$5.2 million annually once operational. Attorney General Labrador asked whether Ada County's planning process might affect the project. Mr. Laney said the developer will need to go through the county permitting process, and while county zoning updates could restrict future solar development on prime farmland, this site is not designated as such.

Superintendent Critchfield asked about the status of the existing grazing lease and how much would be affected. Mr. Laney said the current lease runs through 2032, with about 60% of its area—roughly 600 AUMs—impacted by the solar project.

Governor Little noted the large increase in per-acre value from grazing to solar use. Mr. Laney agreed, estimating the grazing lease at roughly \$1 per acre compared to \$750 to \$1,000 per acre under the solar lease.

Board Action: A motion was made by Controller Woolf that the Land Board approve the auction results for lease M600110, provide final approval of lease M600110, and direct the Department to award the lease to D.E. Shaw Renewable Investments. Governor Little seconded the motion. The motion carried on a vote of 4-1, with Attorney General Labrador voting in opposition.

7. Leasing: Minimum Annual Rent and Assignment Fee Increases—presented by Jim Elbin, Division Administrator-Trust Lands

Recommendation: Approve the increases in the minimum rent and lease assignment fees.

Discussion: Controller Woolf asked how administrative costs for leasing are currently covered when fees do not meet actual expenses and whether other programs, such as timber, have been subsidizing the shortfall. Mr. Elbin explained that larger leases essentially subsidize the leasing program, fund-for-fund. Smaller leases are not meeting actual minimum costs. Overall, the leasing program remains profitable.

Controller Woolf asked whether communication had been made with lessees potentially affected by the proposed fee adjustments. Mr. Elbin responded that, while no direct outreach has yet occurred, the Department plans to provide well over the required 180 days' notice before the next billing cycle and to address any concerns raised. Controller Woolf noted that approximately 166 grazing leases, 77 mineral leases, and 3 crop leases would be affected. Mr. Elbin confirmed those figures.

Governor Little asked if the change would require a fee rule. Mr. Elbin said it would not, as existing rules authorize the Land Board to set such fees administratively.

Board Action: No action was taken by the Land Board for lack of a motion.

8. Approval of FY2026 Timber Sales with Clearcut Harvest Units: Bald Larch, Found It 40, Builda Burma, Divided Cedar—presented by Jake Strohmeier, Division Administrator-Operations

Recommendation: Approve the Bald Larch, Found It 40, Builda Burma, and Divided Cedar timber sales.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Bald Larch, Found It 40, Builda Burma, and Divided Cedar timber sales. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

9. Saraceno Land Exchange—presented by Zane Lathin, Section Manager-Real Estate

Recommendation: Approve the exchange and direct the Department to complete and close the as-proposed Saraceno land exchange, including using Land Bank funds to offset the difference in values.

Discussion: Governor Little inquired if the Clearwater County Commissioners were notified and have they taken a position. Mr. Lathim responded the commissioners were notified and did not express objection.

Board Action: A motion was made by Controller Woolf that the Land Board approve the exchange and direct the Department to complete and close the as-proposed Saraceno land exchange, including using Land Bank funds to offset the difference in values. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

10. Adoption of Pending Rule IDAPA 20.03.08, Easements on State-Owned Lands—presented by Roger Hall, Bureau Chief-Real Estate

Recommendation: Adopt the pending rule for IDAPA 20.03.08 Easements on State Owned Land.

Discussion: Controller Woolf noticed the pending rule would delete the easement assignment fee of \$50 and the easement application fee of \$100. Mr. Hall replied yes, those fees will be rolled into the full consideration for the easement itself.

Board Action: A motion was made by Controller Woolf that the Land Board adopt the pending rule for IDAPA 20.03.08, Easements on State-Owned Land. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

Information

11. FY2025 Gross Revenue Record—presented by Jim Elbin, Division Administrator-Trust Lands

Discussion: None.

12. Cottage Site Leasing and Disposition Update—presented by Jim Elbin, Division Administrator-Trust Lands

Discussion: Secretary of State McGrane opened by revisiting concerns regarding the cottage site leasing program, noting that the Land Board has not formally reviewed or updated the 2022 decision that was intended to guide actions only through 2024. He emphasized that, now into 2025, the Land Board continues to operate under that plan and that the accompanying analysis appears to omit one critical factor—the appreciation of the underlying land. Secretary of State McGrane underscored that land value is among the endowment's greatest assets and should be incorporated into program evaluations, particularly for high-value properties at Payette Lake and Priest Lake.

Mr. Elbin acknowledged the point, explaining that under past lease structures, appreciation was not captured unless the land was sold. He said the only way to realize that value within a lease framework would be to incorporate regular reappraisals or to pursue disposition, noting that both approaches have historically been contentious. Previous efforts to balance the value of land versus improvements often led to disagreements among stakeholders over appraisals and fairness.

Secretary of State McGrane clarified that his intent was not to question past Land Board actions, including the 2014 decisions or subsequent litigation, but rather to highlight how market conditions and land values have changed dramatically over the past decade. He noted that the 2014 plan envisioned selling certain cottage sites and reinvesting proceeds through the Land Bank for future acquisitions. While some of that occurred, he observed that most proceeds were transferred to the Endowment Fund Investment Board (EFIB) rather than used to acquire new land, diverging from the Land Board's original intent.

He added that the strong appreciation of lakefront and high-value parcels underscores the need for a renewed look at how such assets are managed. Secretary of State McGrane urged the Land Board to consider options beyond the existing lease framework—whether through updated lease models, partial sales, or reappraisals—to ensure beneficiaries receive the full benefit of growing land values.

Mr. Elbin responded that his presentation was intended as an informational update rather than a policy justification and acknowledged the value of reexamining lease structures. He said the Department is open to continued discussion on how to better capture land appreciation and could bring forward new leasing proposals if directed by the Land Board.

Secretary of State McGrane encouraged the Department to examine future leasing opportunities through a broader lens, noting that political and public sensitivities surrounding cottage sites have evolved since 2014. He said that while the Land Board must remain cautious, it also has an obligation to pursue the best possible returns for beneficiaries, even if that entails taking some calculated risks.

Mr. Elbin closed by expressing appreciation for staff efforts to improve lease structures and confirmed that newer leases are beginning to account for appreciation. He said the Department has not yet extended such models to residential leases but continues to evaluate potential approaches, as few successful regional examples currently exist.

Executive Session

None

There being no further business before the Land Board, at 9:55 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

November 18, 2025

Regular Agenda

Subject

Adoption of Pending Rule, IDAPA 20.03.02, Rules Governing Mined Land Reclamation.

Question Presented

Shall the Land Board adopt the pending rule for IDAPA 20.03.02, Rules Governing Mined Land Reclamation?

Background

The Idaho Department of Lands (Department) administers these rules under the authority of the Idaho Mined Land Reclamation Act (Title 47, Chapter 15, Idaho Code). These rules establish the notification requirements for exploration and the application, operation, and reclamation requirements for mined lands. In addition, they establish the application and closure requirements for cyanidation facilities. Lastly, these rules contain the financial assurance requirements for mining and cyanidation facilities.

Negotiated rulemaking was approved by the State Board of Land Commissioners (Land Board) on February 20, 2024. Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter is scheduled for a comprehensive review in 2025. The Department began negotiations in spring of 2024.

Discussion

The Department's outreach for negotiated rulemaking included the following:

- Posting in the Idaho Administrative Bulletin in 2024 and 2025.
- Sending postcards to all reclamation plan holders, state agencies, statewide in 2024 and 2025.
- Sending emails to all reclamation plan holders, as well as state and local agencies.
- Hosting public meetings, each with a video-conferencing option.

In the 11 meetings held over 2024 and 2025, a total of 22 non-Department members attended the meetings in person, and a total of 53 attended the meetings virtually.

The Department received 56 distinct comments, which were addressed in the negotiated rulemaking summary, included as Attachment 1.

The proposed rule was published in the October 2025 Administrative Bulletin (Attachment 2). A public hearing was held on October 7, 2025, to solicit public testimony. A total of five non-Department members attended the hearing. One attendee provided testimony. Three written comments from two commenters were received during the proposed rule comment period. A summary of all comments is included as Attachment 3. Several edits to the rule were incorporated based on Department review and grammatical adjustments. Attachment 4 is the draft pending rule consisting of the proposed rule with changes highlighted in yellow.

The pending rule reduces the overall regulatory burden by providing clarity and reducing the total word count and number of restrictive words. The pending rule includes the following changes:

- 3.6 percent reduction in word count, 24 percent reduction in restrictive words.
- Omitted duplicative definitions and added definitions.
- Replaced the word "director" with "department" and changed "disturbed" to "affected."
- Replaced the word "shall" with the word "will."

If approved by the Land Board, the Department will submit the Notice of Adoption of Pending Rule (Attachment 5) to the Office of the Administrative Rules Coordinator for the 2026 legislative session.

Recommendation

Adopt the pending rule with changes to the proposed rule text for IDAPA 20.03.02, Rules Governing Mined Land Reclamation.

Board Action

Attachments

1. Negotiated Rulemaking Summary
2. Notice of Proposed Rulemaking
3. Proposed Rule Comments Summary
4. Pending Rule Text (changes to Proposed Rule)
5. Draft Notice of Rulemaking—Adoption of Pending Rule



Negotiated Rulemaking Summary
IDAPA 20.03.02—Rules Governing Mined Land Reclamation
Docket No. 20-0302-2401

Members of the public participated in the Department's negotiated rulemaking process by attending the meetings and submitting written comments. Key information considered by the Department included applicable statute and information provided by the public and the Department's legal counsel during the negotiation process.

Key documents from the rulemaking record, which includes rule drafts, written public comments and documents distributed during the negotiated rulemaking process, are available at <https://www.idl.idaho.gov/rulemaking/docket-20-0302-2401/>. The entire rulemaking record is available for review upon request to the Department. At the conclusion of the negotiated rulemaking process, the Department formatted the final rule draft for publication as a proposed rule in the Idaho Administrative Bulletin.

In developing the draft rule, the Department considered all comments received during the negotiated rulemaking process. The following is a summary of all comments and the Department's response to the comments:

Date	Comment	Response
4-24-2024	Question: What about the deletion of subsection 060.08? This subsection allows the operator and IDL to agree to additional reclamation of an exploration project beyond the requirements in the rules.	Response: No operator has requested this over the last 20 years or more, and nothing would prevent an operator from doing additional reclamation. The exploration reclamation requirements in the rules provide a minimum standard, and additional work would not be opposed.
4-24-2024	Question: Asked about the new sentence in Subsection 120.01 regarding the amount of the initial financial assurance, and if that was related to a statutory requirement.	Response: IDL confirmed that it was from a statutory requirement.
4-24-2024	Request: Made for specifically outlining what changes from 2019 do or do not apply when discussing the draft revisions to Section 200.	Response: A plan is subject to the rules in place at the time of approval, and the new rules would only apply to new amendments for plans that were already approved in 2019. No confusion has been reported from the operators. Some clarification in the guidance documents may be more appropriate than further clarification in the rules.

Date	Comment	Response
4-30-2024	Question: What is the relationship between the proposed definitions of “Disturbed Acres”, “Permitted Acres”, and “affected lands”?	Response: Disturbed Acres are a subset of the Permitted Acres. These two new definitions are used further down in the rule, especially in regard to financial assurance.
4-30-2024	Question: Why were all the uses of “shall” replaced?	Response: The Division of Financial Management and the Office of the Administrative Rules have given specific direction regarding elimination of the word shall. IDL replaced this word with “may”, “must”, or other words depending on context.
4-30-2024	Comment: The application forms could be included in the rule.	Response: This would require a negotiated rulemaking to modify the form, which is a lot of work to go through for simple changes.
4-30-2024	Comment: DEQ is moving to change “ground water” to “groundwater” in their rules. This will reduce word count for the Zero Based Regulation goals.	Response: It is not clear if the Idaho Department of Water Resources was also making that change. This will be investigated further.
4-30-2024	Comment: Section 200 should specifically state what rule changes from 2019 do or do not apply to reclamation plans based on when the plans were approved.	Response: This would not be a simple task and runs the risk of being interpreted as conflicting with statute. The requestor offered to put together some suggested wording for consideration.
4-30-2024	Question: Should “Permitted” or “Disturbed” acres be referenced in Subsections 120.05, 06, and 08?	Response: If financial assurance is only required for the disturbed acres, then these subsections may not clearly communicate that. Some adjustment is needed to make that clearer.
5-1-2024	Question: Do the rules need a definition of “board” as used in Section 000?	Response: Board is defined in Title 47, Chapter 15, Idaho Code. The definitions in Section 010 of the rules start with this statement: “In addition to the definitions set forth in the Act, the following definitions apply to these rules:”. In order to fully understand the rules, the statute must also be examined. All definitions in statute also apply to the rules.
5-1-2024	Comment: The maps need a reference to where cross sections are located. Sometimes representative cross sections appear to be missing.	Response: IDL stated that Section 069 does have a requirement in Section 03.b.vii to show where the cross section is on the map. If representative cross sections are not submitted, then IDL may need to determine that the application is incomplete.

Date	Comment	Response
5-1-2024	Comment: More specificity could be required for drainage control prior, during, and after mining.	Response: IDL's focus is on where water goes during and after the operation. IDL is also only concerned with site drainage up to the point that the plan is retired and the bond is released. The site is in reclamation up until that time.
5-1-2024	Question: Is IDWR involved with the water drainage after reclamation?	Response: This question is outside the scope of this rulemaking and IDL's expertise.
5-1-2024	Question: What are the enforcement methods for the rules?	Response: Enforcement is mentioned in Section 160, but the specifics of compliance enforcement are in the statute, 47-1513.
5-6-2024	Question: How do IDL reclamation plan reviews compare to BLM, and if an operator is permitted through BLM does that take care of permitting with IDL?	Response: An approved reclamation plan is still needed for those operations approved by BLM. IDL reviews are often done with the BLM, or USFS, and with other state agencies. If a NEPA review is required, then IDL and other state agencies may have already reviewed the plan, but a reclamation plan approved by IDL is still needed.
5-6-2024	Comment: The longest part of the BLM review may be the archeological clearances.	Response: IDL does not require archeological clearances for reclamation plans.
5-7-2024	Question: Will an operator be notified if their reclamation plan was complete?	Response: Yes, the reclamation plans would be reviewed for completeness as soon as possible within the 60 day review period.
5-7-2024	Question: Would the definition of "coarse and durable rock armor" apply to riprap material placed in a channel? Sometimes smaller riprap is used, and it is unclear if the definition of coarse and durable rock armor would apply to this type of use.	Response: IDL stated that the only place coarse and durable rock armor is mentioned in the rule is in paragraph 070.04.e. It is possible that this would apply to riprap, and IDL would look into this more. Participants were encouraged to share their opinion on this in some written comments.

Date	Comment	Response
6-5-2024 1	Question: Re: 010.05 Coarse and Durable Rock Armor: This is a one-size-fits-all specification to meet a specific predetermined yet unknown performance criteria instead of requiring that a specified performance criteria lead to a specified material construction specification. “Free of fines”? 100.00%? 99.8%? 50%, by weight or volume? What is the specification for “fines”? “Fines” are relative to the desired particle size and their relevance to the specification depends on the performance goals for armoring. Not all armoring jobs are in need of angular rock. Once again, rock and types must meet an engineering performance specification that is appropriate to the application’s needs. As written, this makes river rock that lines every river in Idaho illegal for use if removed and put back by the Operator when re-armoring a stream channel.	Response: The definition has been modified in the proposed rules.
6-5-2024	Question: Re 010.08: What is the definition of “affected land”?	Response: The term “disturbed acres” has been replaced with “affected land” in the proposed rule. Affected land is defined in 47-1503(5), Idaho Code.
6-5-2024	Question: Re 060.04(a): What about regrading a previously disturbed area in a manner that better protects from “non-point sources”? This may conflict with direction elsewhere such as language revised in Section 04.e.	Response: Comment acknowledged. IDL appreciates grading performed to minimize soil erosion based on field knowledge.

Date	Comment	Response
6-5-2024	Question: Re 060.04(e): This language adds potentially unlimited obligations for what may be disproportionate or even unrelated to the actual exploration activity or its disturbance. "Control" to what extent? Who and what criteria determines what is controlled and what is not?	Response: Comment acknowledged. The intent of the rule is to minimize sediment mobilization and transport to a water course.
6-5-2024	Question: Section 060.01.08: What's wrong with this? Does it give the operator too much [any] discretion in agreeing to what is "additional"?	Response: Comment acknowledged. Section 60.01.08 retained in proposed rule.
6-5-2024	Question: Re 070.04(c): These regulations for water compliance are more appropriate and should remain the case with 060.04(e).	Response: Comment acknowledged.
6-5-2024	Question: Re 070.05: Operating Plan Requirements. This should include language clearly recognizing that an Operating Plan approval is not required if the plan is approved by a federal agency per Idaho Code 47-1506.	Response: Comment acknowledged. Operating Plan tiering is addressed in the descriptions in 010.16 and in 070.02(c) of these rules.
6-5-2024	Question: Re 071.04(a): By the Operator?	Response: This section has been modified in the proposed rules.
6-5-2024	Question: Re 080.01: The IDL wants to have an indefinite period before reviewing reclamation plans for completeness? Unacceptable.	Response: Section 47-1507(c), Idaho Code defines review periods for both reclamation and permanent closure plans. They are not repeated here in order to comply with Executive Order 2020-01
6-5-2024	Question: Re: 080.02(a): IDEQ	Response: Comment acknowledged. "DEQ" is the acronym used by DEQ in DEQ rules.

Date	Comment	Response
6-5-2024	Question: Re: 080.02(a): The Idaho Public Records Act should not apply to the Director? Or should it be less clear in this statute that this is the case?	Response: This section has been modified in the proposed rules.
6-5-2024	Question: Re 080.03(a): It appears that IDL alone will be able to set the schedule for the inspection. Unacceptable. This should state that the inspection shall/will/must be scheduled at a time mutually agreed to by IDL and the applicant or owner.	Response: This section has been modified in the proposed rules.
4-15-2025	Question: What are the review periods for the draft rules?	Response: The current negotiated rulemaking comment period for Draft #2 ended on June 13, 2025. A review period for the proposed rule will occur from October 1 to October 21, 2025.
4-16-2025	Question: What are IDL's reclamation standards	Response: See IDAPA 20.03.02.140.11(b).
4-16-2025	Question: When are updates required?	Response: Reclamation plans <u>may</u> be updated every five years at the discretion of the operator (155.03(a)). Reclamation plans <u>must</u> be updated when material changes to the operation occur (010.09). The Cyanidation Facility Permanent Closure Plan cost estimates must be updated at a minimum of every three years (120.19(a)).
4-16-2025	Question: Frequency of inspections	Response: Inspections accompany: (a) material changes in the reclamation plan; or (b) change in permanent closure plan cost estimates. Inspection frequency at other mines is performed periodically based on a priority and resource availability basis (155.03)
4-21-2025	Question: Mine inspection frequency.	Response: Mine inspection frequency is governed by 47-1508(e), Idaho Code, and 155.03 of the rules. Refer to the response to the previous question.

Date	Comment	Response
4-21-2025	Question: Provide an analysis on the benefits and costs of current subsection 150.03(a).	Response: The request is not within the negotiated rulemaking scope.
4-21-2025	Question: Use of the “tailings facility” term.	Response: The term “tailings facility” has been changed to either “tailings ponds” or “tailings infrastructure” throughout the proposed rules.
4-21-2025	Question: Preparation of Zero-Based Prospective Analysis	Response: The Zero-Based Prospective Analysis for this rule was posted on February 2, 2024. This analysis will be posted on the rulemaking webpage when updated.
4-21-2025	Question: Re 155.03(a): Reclamation plan review frequency.	Response: This section has been modified in the proposed rules.
4-23-2025	Question: Prefers retaining “affected acres” in rules.	Response: This section has been modified in the proposed rules.
4-23-2025	Question: What are the objectives of Zero-Based Rulemaking?	Response: Comment acknowledged. Not within the scope of negotiated rulemaking process.
4-23-2025	Question: Rules applicability with respect to upcoming application submittals.	Response: Use the rules on the IDL website: https://adminrules.idaho.gov/rules/current/20/200302.pdf . Changes to these rules would not take effect until July 1, 2026.
4-23-2025	Question: No acronym for Fish & Game?	Response: The term “Fish & Game” is only used twice in the rules. No need for an acronym.
4-23-2025	Question: When will the applicant learn of the required number of maps?	Response: The applicant should recognize the number of required maps during preparation of the application. Draft #2 requires at least two maps. Creating more than two maps is based on discretion of the applicant and the need for clarity for interpretation by the IDL reviewer.
4-23-2025	Question: Are the cross-section requirements new?	Response: No, the cross-section requirement is stated in the current rule. What is new is the requirement for at least two cross-sections.

Date	Comment	Response
4-23-2025	Question: What is the definition of financial assurance phases?	Response: Applicants should develop discrete phase segments in a way that suits the applicant's Operations Plan. The phases should pair work tasks with financial assurance units.
4-23-2025	Question: Why not duplicate language in statute when composing the rules? Paging from rules to statute and back again is tedious.	Response: Executive Order 2020-01 and guidance provided by the Division of Financial Management requires avoidance of duplicative words and sections.
4-23-2025	Question: Re 110.01, sections 069, 070 and 071 should be replaced by section 080.	Response: Comment acknowledged. Section 080.02 refers to interagency notification requirements. Section 110.01 refers to Public Hearing requirements. Usage is different in sections 080 and 110. Draft #2 language is retained.
4-23-2025	Question: Re section 120.01, financial assurance should be changed to “ . . . must cover one year . . .”.	Response: Comment accepted. This section has been modified in the proposed rules.
4-23-2025	Question: Are Minerals Program policies and procedures available to the public?	Response: Yes. They can be found at this link: https://www.idl.idaho.gov/wp-content/uploads/sites/2/2023/01/agency-guidance-minerals-regulatory-procedures.pdf
4-23-2025	Question: Status of negotiated rulemaking?	Response: Negotiated rulemaking will conclude at the conclusion of the public comment period that ends on June 13, 2025.
6-13-2025	Question: Eliminate redundant section 120.08	Response: Comment acknowledged.
6-13-2025	Question: Reconsider volume of “cyanide” and “cyanidation” references throughout the rules.	Response: Comment acknowledged.
6-13-2025	Question: Re 155.01:Support for use of federal submittals for five year updates.	Response: This section has been modified in the proposed rules.

Date	Comment	Response
6-13-2025	Question: Re 010: Add “Affected Land” in definitions section.	Response: “Affected land” is defined in statute and is not duplicated in these rules as per Executive Order 2020-01 and guidance from the Division of Financial Management.
6-13-2025	Question: Re 010.04: Add “ . . . and state groundwater management plan and regulations . . .”	Response: Comment acknowledged. IDL is only authorized to regulate suspended solids in surface water.
6-13-2025	Question: Re 010.04: Add “. . . and groundwater . . .”	Response: Refer to response to previous question.
6-13-2025	Question: Re 010.08: Add financial assurance definition in section 010.	Response: Financial assurance is defined in statute. Financial assurance definition is not duplicated in these rules as per Executive Order 2020-01 and guidance from the Division of Financial Management.
6-13-2025	Question: Re 010.14: Add “surface and ground “waters of the state”	Response: Comment acknowledged. IDL is only authorized to regulate suspended solids in surface water.
6-13-2025	Question: Re 010.08 Delete “permitted acres” in section 010. definition.	Response: Comment accepted. Permitted acres struck from the proposed rules.
6-13-2025	Question: Re 120.14. Strike “that also meets . . . of these rules.”	Response: Comment acknowledged. The Department’s reclamation cost estimation calculation rules may differ from other state and federal agencies. The Department retains the right to use Department rules for cost estimation calculations.
6-13-2025	Question: Re 120.15(a) Insert “Such a determination initial financial amount.”	Response: Comment acknowledged. The review period is not specified in 47-15, Idaho Code. Section 120.15(a) retained without insertion of recommend language.
6-13-2025	Question: Re new clause in 120.16: Insert “Financial assurance associated . . . of such activities “ in section 120.	Response: Comment acknowledged. Financial assurance release requirements are specified in section 120.16.
6-13-2025	Question: Re 140.01(a): Add “. . . surface and ground” water . . .	Response: Comment acknowledged. IDL is only authorized to regulate suspended solids in surface water.

Date	Comment	Response
6-13-2025	Question: Re 140.04(d): Insert “Where appropriate slope angles allow . . .”	Response: This section has been modified in the proposed rules
6-13-2025	Question: Re 155.01: Insert “A mine plan update . . . meet the requirement.”	Response: This section has been modified in the proposed rules

IDAPA 20 – IDAHO DEPARTMENT OF LANDS
20.03.02 – RULES GOVERNING MINED LAND RECLAMATION
DOCKET NO. 20-0302-2401 (ZBR CHAPTER REWRITE)
NOTICE OF RULEMAKING – PROPOSED RULE

AUTHORITY: In compliance with [Sections 67-5220\(1\)](#) and [67-5220\(2\)](#), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to [Section 58-104\(6\)](#) and [58-105](#), Idaho Code, and [Title 47, Chapter 15](#), Idaho Code.

PUBLIC HEARING SCHEDULE: A public hearing concerning this rulemaking will be held as follows:

Tuesday, October 7, 2025 2:00 p.m. (MT)
Idaho Department of Lands Boise Bureau Office Garnet Meeting Room 300 N. 6th Street, Suite 103 Boise, ID 83720
To attend any meeting via Microsoft Teams: Meeting Link: Join the meeting now Meeting ID: 282 279 897 290 9 Passcode: By3pT9aC
To attend by telephone call: +1 469-998-7393 Phone conference ID: 612 566 364#
All meetings will be available for video teleconference via a link posted on Idaho Department of Lands website at Rulemaking for IDAPA 20.03.02 - Department of Lands

The meeting sites will be accessible to persons with disabilities, if needed. Requests for accommodation must be made not later than five (5) days prior to the meeting by contacting the department at the address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Following [Executive Order 2020-01: Zero-Based Regulation](#), this rule chapter is scheduled to be assessed and rewritten by the agency in 2025 for review during the 2026 legislative session. The department anticipates reducing the overall regulatory burden by reducing both total word count and the number of restrictive words during the rewrite of the rule chapter. The department reviewed the rule with stakeholders to solicit comments on the draft rules. The department seeks to modify language for consistency within the rule, with statutes, and with other state rules.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state General Fund greater than ten thousand dollars (\$10,000) during the fiscal year as a result of this rulemaking: This rule will have no fiscal impact on the state General Fund.

NEGOTIATED RULEMAKING: Pursuant to [Section 67-5220\(1\)](#), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the April 2, 2025 Idaho Administrative Bulletin, [Vol. 25-4, pages 33-35](#).

INCORPORATION BY REFERENCE: Pursuant to [Section 67-5229\(2\)\(a\)](#), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule:

There are no documents incorporated by reference in this rule chapter.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Andy Mork, PG, Minerals Program Manager at (208) 334-0247 or amork@idl.idaho.gov.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2025.

DATED this 29th day of August, 2025.

Andy Mork, PG, Minerals Program Manager
Idaho Department of Lands
300 N. 6th Street, Suite 103
P.O. Box 83720
Boise, Idaho 83720-0050
Phone: (208) 334-0247
Fax: (208) 334-3698
rulemaking@idl.idaho.gov



Proposed Rulemaking Summary

IDAPA 20.03.02 — Rules Governing Mined Land Reclamation

Docket No. 20-0302-2401

Members of the public participated in the Department's proposed rulemaking process by attending the public hearing and submitting written comments. Key information considered by the Department included applicable statute, information provided by the public, and the Department's legal counsel during this process.

Key documents from the rulemaking record, which includes rule drafts, written public comments and documents distributed during the proposed rulemaking process, are available at <https://www.idl.idaho.gov/rulemaking/docket-20-0302-2401/>. The entire rulemaking record is available for review upon request to the Department. At the conclusion of the proposed rulemaking process, the Department formatted the final rule draft for publication as a pending rule in the Idaho Administrative Bulletin.

In developing the draft rule, the Department considered all comments received during the proposed rulemaking process. The following is a summary of all comments and the Department's response to the comments:

Date	Comment	Response
10-17-2025	Comment: 1. In section 155.03, replace Idaho Code 45-1508(e) with Idaho Code 47-1508(e). Comment 2. In section 155.01: insert the text in blue font: " Five (5) year updates. At least once every five (5) years, the Department shall review reclamation plans and revise if necessary to meet the requirements of these rules when there is a material change in the reclamation plan. To this end, the Department may require . . ."	Responses: Comment 1. Section 155.03 is deleted in the draft pending rule. The comment is moot. Comment 2. The proposed text is a copy of a portion of statute in Section 47-1508(e), Idaho Code. The comment is not incorporated in the draft pending rules to meet Executive Order 2020-01 Zero Based Rulemaking goals of clarity and word count.

Date	Comment	Response
10-22-2025	Comment: In section 120.14, insert the text in blue font: “. . . for the purposes of these rules. <i>The Director will confirm this sufficiency to the operator and federal government by written letter or written agreement stating the Department has reviewed and is in concurrence with the federal government's reasonable financial assurance estimate and entrusts the federal government with the Department's financial assurance, reclamation and permanent closure plan requirements.</i> A mine providing . . .”	Response: The State cannot delegate its authority to administer the financial assurance, reclamation, and permanent closure plan requirements of Title 47, Chapter15, Idaho Code and the corresponding administrative rules to the federal government.

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UNOFFICIAL COPY: PENDING RULE TEXT OF DOCKET NO. 20-0302-2401
(ZBR Chapter Rewrite.)

20.03.02 – RULES GOVERNING MINED LAND RECLAMATION

00. LEGAL AUTHORITY.

~~Title 47, Chapter 15 (“chapter”), Idaho Code, authorizes the Board to promulgate rules pertaining to mineral exploration; mining operations; reclamation of lands affected by exploration and mining operations, including review and approval of reclamation and permanent closure plans; requirements for financial assurance for reclamation and permanent closure, and to establish a reasonable fee for reviewing and approving reclamation plans and permanent closure plans, including the reasonable cost to employ a qualified independent party, acceptable to the applicant and the Board, to verify the accuracy of cost estimates for reclamation plans and permanent closure plans.~~ Title 58, Chapter 1, Idaho Code, and Title 67, Chapter 52, Idaho Code. The Board has delegated to the ~~d~~Director of the Department the duties and powers under the ~~chapter~~ Act and these rules; however, the Board retains responsibility for administrative review. ~~(3-18-22)()~~

01. ~~TITLE AND~~ SCOPE.

~~01. Title.~~ These rules are titled IDAPA 20.03.02, “Rules Governing Mined Land Reclamation.” ~~IDAPA 20, Title 03, Chapter 02.~~ ~~(3-18-22)~~

~~02. Scope.~~ These rules establish the notification requirements for exploration and the application, operation, and reclamation requirements for mined lands. In addition, they establish the application and closure requirements for cyanidation facilities. These rules also establish the reclamation and financial assurance

requirements for all these activities, and describe the processes used to administer the rules in an orderly and predictable manner. (3-18-22)()

31. Other Laws. Operators engaged in exploration, mine operation, and operation of a cyanidation facility ~~shall~~ must comply with all applicable laws and rules of the state of Idaho including, but not limited to the following: (3-18-22)()

a. ~~Idaho water quality standards established in Title 39, Chapters 1, Idaho Code, and Title 39, Chapter 36, Idaho Code; IDAPA 58.01.02, "Water Quality Standards"; and IDAPA 58.01.11, "Ground Water Quality Rule," administered by the Department of Environmental Quality (DEQ).~~ (3-18-22)()

b. ~~Requirements and procedures for hazardous and solid waste management, as established in Title 39, Chapter 44, Idaho Code, and rules promulgated thereunder including, IDAPA 58.01.05, "Rules and Standards for Hazardous Waste" and IDAPA 58.01.06, "Solid Waste Management Rules," administered by the DEQ.~~ (3-18-22)()

c. ~~Section 39-118A, Idaho Code, and applicable rules for ore processing by cyanidation as promulgated and administered by the DEQ as defined in IDAPA 58.01.13, "Rules for Ore Processing by Cyanidation."~~ (3-18-22)()

d. ~~Section 39-175C, Idaho Code, and applicable rules for the discharge of pollutants to waters of the United States as promulgated and administered by DEQ in IDAPA 58.01.25, "Rules Regulating the Idaho Pollutant Discharge Elimination System Program."~~ (3-18-22)()

e. ~~Idaho Stream Channel Protection Act, Title 42, Chapter 38, Idaho Code, and applicable rules as promulgated and administered by the Idaho Department of Water Resources.~~ (3-18-22)()

f. ~~Idaho Dam Safety Act, Sections 42-1710 through 42-1721, Idaho Code, and applicable rules promulgated and administered by the Idaho Department of Water Resources.~~ (3-18-22)()

42. Applicability. These rules are to be read and applied in conjunction with the ~~chapter~~ Act. These rules apply to all exploration, mining operations, and permanent closure of cyanidation facilities on all lands in the state, regardless of ownership. (3-18-22)()

a. These rules apply to mining operations or exploration operations commenced after January 1, 1997. These rules in no way affect, alter, or modify the terms or conditions of any approved reclamation plan, reclamation plan amendment, or financial assurance for reclamation obtained prior to January 1, 1997. If a material change arises and is regulated in accordance with Subsection 090.01, then the operator ~~shall~~ must submit a reclamation plan amendment. (3-18-22)()

b. These rules do not apply to: (3-18-22)

i. Any surface mining operations performed prior to May 31, 1972. An operator will not be required to perform reclamation activities on any pit or overburden pile as it existed prior to May 31, 1972. (3-18-22)

ii. Mining operations for which the Idaho Dredge and Placer Mining Protection Act requires a permit, or which are otherwise regulated by that act. (3-18-22)

iii. Extraction of minerals from within the right-of-way of a public highway by a public or governmental agency for maintenance, repair or construction of a public highway, provided the affected land is an integral part of such highway. (3-18-22)

iv. Underground mines that existed prior to July 1, 2019, and have not expanded their surface disturbance by 50% or more after that date. (3-18-22)

c. Sand and gravel mining operations in state-owned beds of navigable lakes, rivers or streams ~~shall~~ will constitute an approved mining plan for the purpose of these rules if the operator has all of the following:

(3-18-22)()

- i. A valid riverbed mineral lease granted by the Board in accordance with IDAPA 20.03.05, "~~Rules Governing Riverbed Mineral Leasing~~", with a valid mineral lease bond; (3-18-22)()
- ii. An approved plan of operations for the riverbed mineral lease; and (3-18-22)
- iii. A valid stream channel alteration permit issued by the Idaho Department of Water Resources (IDWR). (3-18-22)()
- d. Surface mining operations, conducted by a public or governmental agency for maintenance, repair, or construction of a public highway, which: (3-18-22)
 - i. Disturb more than two (2) acres will comply with the provisions of Section 069; or (3-18-22)
 - ii. Disturb less than two (2) acres will comply with Subsections 060.06.a. through 060.06.e. (3-18-22)
- e. A cyanidation facility with a permit approved by the Idaho Department of Environmental Quality (DEQ) prior to July 1, 2005, is subject to the applicable laws and rules for ore processing by cyanidation in effect on June 30, 2005; however, if there is a material modification or material expansion to a cyanidation facility after July 1, 2005, these rules ~~shall~~ will apply to the modification or expansion. (3-18-22)()

02. -- 009. (RESERVED)

10. DEFINITIONS.

In addition to the definitions set forth in the ~~chapter~~ Act, the following definitions apply to these rules:

(3-18-22)()

- 01. Act. The Mined Land Reclamation Act, Title 47, Chapter 15, Idaho Code. ()
- ~~012.~~ **Adit.** A nearly horizontal passage from the surface into an underground mine. (3-18-22)
- ~~023.~~ **Approximate Previous Contour.** A contour that is reasonably comparable to that contour existing prior to disturbance, or that blends with the adjacent topography. (3-18-22)
- 04. Authorized Land. The area of land specified in an application that may become affected lands at a mine or cyanidation facility. ()
- ~~035.~~ **Best Management Practices (BMP).** Practices, techniques or measures developed or identified by the designated agency and identified in the state water quality management plan which are determined to be a cost-effective and practicable means of preventing or reducing pollutants generated from nonpoint sources to a level compatible with water quality goals. (3-18-22)
- ~~04. Chapter. The Mined Land Reclamation Act, Title 47, Chapter 15, Idaho Code.~~ (3-18-22)
- 06. Coarse and Durable Rock Armor. A layer of rock placed on a slope to protect it from erosion. The rock must be sufficiently sound, dense, durable, angular, resistant to weathering, and substantially free of fines. The thickness must be at least equal to the dimension of the largest rock used, or eighteen (18) inches, whichever is greater. ()
- 57. **Department.** The Idaho Department of Lands. (3-18-22)
- 68. **Discharge.** With regard to cyanidation facilities, when used without qualification, any spilling, leaking, emitting, escaping, leaching, or disposing of a pollutant into the waters of the state. (3-18-22)
- 79. **Ground Water.** Any water of the state that occurs beneath the surface of the earth in a saturated geological formation of rock or soil. (3-18-22)

0810. Land Application. A process or activity involving application of liquids or slurries potentially containing cyanide from the cyanidation facility to the land surface for the purpose of treatment, neutralization, disposal, or groundwater recharge. (3-18-22)

0911. Material Change. A change that deviates from the approved reclamation plan or permanent closure plan and causes one (1) or more of the following to occur: (3-18-22)

a. Results in a substantial adverse effect to the geotechnical stability of overburden disposal areas, topsoil, stockpiles, roads, embankments, tailings ~~facilities~~ infrastructure, cyanidation facilities or pit walls; (3-18-22)()

b. Substantially modifies surface water management or a water management plan, not to include routine implementation and maintenance of BMPs; (3-18-22)

c. Exceeds the ~~permitted~~ authorized acreage; or (3-18-22)()

d. Increases overall estimated reclamation costs by more than fifteen percent (15%). (3-18-22)

102. Material Modification or Material Expansion. With regard to cyanidation facilities: (3-18-22)

a. Any change to an ~~permitted~~ approved cyanidation facility, except as provided in Subsection 010.102.b., that the Department determines will: (3-18-22)()

i. Cause or increase the potential to cause degradation of waters, such as a new cyanidation process or cyanidation facility component; or (3-18-22)

ii. Change the capacity, location, or process of an existing cyanidation facility component; or (3-18-22)

iii. Change the site condition in a manner that is not adequately described in the original permit application. (3-18-22)

b. Reclamation and closure related activities at a cyanidation facility with an existing permit that did not actively add cyanide after January 1, 2005 are not material modifications or material expansions of the cyanidation facility. (3-18-22)

113. Material Stabilization. Managing or treating spent ore, tailings, other solids and/or sludges resulting from the cyanidation process to minimize waters or all other applied solutions from migrating through the material and transporting pollutants associated with the cyanidation facility to ensure that all discharges comply with all applicable standards and criteria. (3-18-22)

124. Motorized Earth-Moving Equipment. Backhoes, bulldozers, front-loaders, trenchers, core drills, and other similar equipment. (3-18-22)

135. Neutralization. Treatment of process waters such that discharge or final disposal of those waters does not, or will not, violate any applicable standards and criteria. (3-18-22)

146. Operating Plan. A plan that describes how a mining operation will be constructed and operated to avoid or minimize surface disturbance and potential impacts to waters of the state, and to prepare for final reclamation. (3-18-22)

157. Permanent Closure. Those activities that result in neutralization, material stabilization, and decontamination of cyanidation facilities or the facilities' final reclamation. (3-18-22)

168. Permit. When used without qualification, any written authorization, license, or equivalent control document issued by the DEQ. This includes authorizations issued pursuant to the application, public participation,

and appeal procedures in IDAPA 58.01.13, "~~Rules for Ore Processing by Cyanidation,~~" and those issued pursuant to the application, public participation, and appeal procedures in IDAPA 58.01.25. (3-18-22)()

179. Pollutant. Chemicals, chemical waste, process water, biological materials, radioactive materials, or other materials that, when discharged, cause or contribute adverse effects to any beneficial use or for any other reason may impact waters of the state. (3-18-22)

1820. Process Waters. Any liquids intentionally or unintentionally introduced into any portion of the cyanidation process. These liquids may contain cyanide or other minerals, meteoric water, ground or surface water, elements and compounds added to the process solutions for leaching or the general beneficiation of ore, or hazardous materials that result from the combination of these materials. (3-18-22)

1921. Real Property. Land and appurtenances as defined in Section 55-101, Idaho Code. (3-18-22)

202. Reclamation. The process of restoring an area affected by a mining operation or cyanidation facility to its original or another beneficial use, considering previous uses, possible future uses, and surrounding topography. The objective is to re-establish a diverse, self-perpetuating plant community, and to minimize erosion, remove hazards, and maintain water quality. (3-18-22)

213. Reclamation Plan. A plan using a combination of maps, drawings, and descriptions that describes how a mine is constructed and how reclamation of a mine's affected land is accomplished. (3-18-22)

224. Revegetation. The establishment of the premining vegetation or a comparable vegetative cover on the land ~~disturbed~~ affected by mining operations. (3-18-22)()

235. Shaft. A vertical or inclined passage from the surface into an underground mine. (3-18-22)

246. Surface Waters. The surface waters of the state of Idaho. (3-18-22)

257. Treatment. Any method, technique or process, including neutralization, that changes the physical, chemical, or biological character or composition of a waste for the purpose of disposal, or the end result of such action. (3-18-22)

268. Water Balance. An inventory and accounting process capable of being reconciled that integrates all potential sources of water that are entrained in the cyanidation facility or may enter into or exit from the cyanidation facility. The inventory must include the water holding capacity of specific structures within the facility that contain process water. The water balance is used to ensure that all process water and other pollutants can be contained as engineered and designed within a factor of safety as determined in the permanent closure plan. (3-18-22)

279. Water Management Plan. A document that describes the results of the water balance and the methods that will be used to ensure that pollutants are not discharged from a cyanidation facility into waters of the state, unless permitted or otherwise approved by the DEQ. (3-18-22)

2830. Waters of the State. All the accumulations of water, surface and underground, natural and artificial, public or private, or parts thereof that are wholly or partially within, flow through or border upon the state of Idaho. These waters ~~shall~~ will not include municipal or industrial wastewater treatment or storage structures or private reservoirs, the operation of which has no effect on waters of the state. (3-18-22)()

11. ABBREVIATIONS.

01. BMP. Best Management Practices. (3-18-22)

02. DEQ. Department of Environmental Quality. (3-18-22)

03. IPDES. Idaho Pollutant Discharge Elimination System. (3-18-22)

~~04. SWPPP. Storm Water Pollution Prevention Plan. (3-18-22)~~

~~05. U.S.C. United States Code. (3-18-22)~~

~~0121. -- 049. (RESERVED)~~

~~50. ADMINISTRATION.~~

~~The Department will administer these rules under the direction of the director. (3-18-22)~~

~~51. -- 059. (RESERVED)~~

60. EXPLORATION OPERATIONS AND ~~REQUIRED~~ RECLAMATION.

01. Diligence. All reclamation activities ~~required to be~~ conducted on exploration sites must be performed in a good, workmanlike manner with all reasonable diligence, and as to a given exploration drill hole, road, or trench, within one (1) year after abandonment thereof. (3-18-22)()

02. When Exploration Is Mining. Exploration operations may under some circumstances constitute mining operations as described in Section 47-1503(7), Idaho Code. (3-18-22)

03. Notification. Any operator desiring to conduct exploration using motorized earth-moving equipment to locate minerals for immediate or ultimate sale ~~shall~~ **must** notify the Department ~~prior to or~~ within seven (7) days after beginning exploration operations. The notification must include the information listed in Section 47-1506(e), Idaho Code. No application fee or financial assurance is required for exploration that is not a mining operation. (3-18-22)()

~~04. Contents of Notification. The notification shall include: (3-18-22)~~

~~a. The name and address of the operator; (3-18-22)~~

~~b. The legal description of the exploration and its starting and estimated completion date; and (3-18-22)~~

~~c. The anticipated size of the exploration and the general method of operation. (3-18-22)~~

~~05. Confidentiality. Any such notification is treated as confidential in accord with Section 180. (3-18-22)~~

64. Exploration Reclamation (Less Than Two Acres). Every operator who conducts exploration affecting less than two (2) acres ~~shall~~ **must**: (3-18-22)()

a. ~~Wherever possible, contour~~ **Regrade** the affected lands to their approximate previous contour ~~where possible; and~~ (3-18-22)()

b. Conduct revegetation activities in accordance with Subsection 140.11. Unless otherwise required by a federal agency, one (1) pit or trench on a federal mining claim showing discovery, may be left open pending verification by federal mining examiners. (3-18-22)()

c. **Plug** ~~Each~~ exploration drill holes ~~must be plugged~~ within thirty (30) days of drilling the holes. Upon request, the ~~director~~ **Department** may allow the holes to be temporarily left unplugged for up to a year, but until they are plugged the holes must be left so as to eliminate hazards to humans and animals. (3-18-22)()

d. **Reclaim** ~~P~~ pits or trenches on mining claims ~~showing discovery may be within one (1) year of verification if~~ left open pending **federal** verification ~~by federal mining examiners but shall~~. **The pits and trenches must not create a hazard to humans or animals. Such abandoned pits and trenches must be reclaimed within one (1) year of verification, prior to reclamation; and** (3-18-22)()

~~e. If water runoff from exploration causes siltation of surface waters in amounts more than normally results from runoff, the operator shall reclaim affected lands and adjoining lands under his control as is necessary to meet state water quality standards.~~ Control nonpoint source pollution by reclaiming affected lands and adjoining lands and implementing appropriate Best Management Practices (BMPs). (3-18-22)()

75. Exploration Reclamation (More Than Two Acres). Reclamation of lands where exploration has affected more than two (2) acres must be completed as set forth in Subsection 060.06 and all the following additional requirements: (3-18-22)()

a. Abandoned exploration roads must be cross-ditched as necessary to minimize erosion. The ~~director~~ Department may request in writing, or may be petitioned in writing, that a given road or road segment be left for a specific purpose and not be cross-ditched or revegetated. If the ~~director~~ Department approves the petition, the operator cannot thereafter be required to conduct reclamation activities with respect to that given road or road segment. (3-18-22)()

b. Ridges of overburden must be leveled ~~so as~~ to have a minimum width of ten (10) feet at the top. (3-18-22)()

c. Peaks of overburden must be leveled ~~so as~~ to have a minimum width of fifteen (15) feet at the top. (3-18-22)()

d. Overburden piles must be reasonably prepared to control erosion. (3-18-22)

e. Abandoned lands affected by exploration must be top-dressed to the extent that such overburden is reasonably available from any pit or other excavation created by the exploration, with that type of overburden that ~~is conducive to the control of~~ minimizes erosion ~~or the~~ and promotes growth of vegetation that the operator elects to plant thereon. (3-18-22)()

f. Any water containment structure created in connection with exploration must be reasonably prepared so as not to constitute a hazard to humans or animals. (3-18-22)

086. Additional Reclamation. The operator and the director may agree, in writing, to complete additional reclamation beyond the requirements established in the chapter and these rules. (3-18-22)

61. -- 067. (RESERVED)

68. APPLICATION FEES

01. Base Application Fees. The following base fee schedule will be used for all reclamation plans and permanent closure plans and amendments to those plans. For plans processed under Section 069 of these rules, this base fee covers up to twenty (20) hours of staff time for review and processing. For plans processed under Section 070 of these rules, the applicant may instead enter an agreement with the Department as described in Subsection 068.03 of these rules. The applicable acreage is based on the proposed reclamation plan area identified in the application:

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

Type of Plan	Fee (Dollars)
Section 070 of these rules, Reclamation Plan > 100 to 1,000 acres	One thousand five hundred (\$1,500)
Section 070 of these rules, Reclamation Plan > 1,000 acres	Two thousand (\$2,000)
Section 071 of these rules, Permanent Closure Plan	Five thousand (\$5,000)

(3-18-22)()

02. Additional Fees for Applications Submitted Under Section 069. Plans processed under Section 069 of these rules that require more than twenty (20) hours of staff time due to an incomplete application will result in additional fees being charged. After a revised application has been received and determined to be complete with the exception of the fee, IDL will send an invoice to the operator at a rate of forty dollars per hour (\$40/hour) for the additional review time over the initial twenty (20) hours. If this additional fee is not paid prior to the sixty (60) day approval deadline, the application will be denied. If the additional fee is paid within 30 days of the denial, the application will be considered complete and the time requirements of Subsection 080.03 will apply. (3-18-22)

03. Alternative Fee Agreement for Applications Submitted Under Section 070. In lieu of paying a fee at the time the application is submitted, an applicant under Section 070 of these rules may enter into an agreement with the Department for actual costs incurred to process an application, verify a reclamation cost estimate submitted under ~~Idaho Code § Section 47-1512(c), Idaho Code~~, and issue a final decision. The applicant ~~shall~~ **must** not commence operations until the terms of the agreement have been met, including that the Department has been reimbursed for all actual costs incurred for the permitting process. (3-18-22)()

69. APPLICATION PROCEDURE AND REQUIREMENTS FOR QUARRIES, DECORATIVE STONE, BUILDING STONE, AND AGGREGATE MATERIALS INCLUDING SAND, GRAVEL AND CRUSHED ROCK.

01. Approval Required. ~~No operator may conduct mining operations on any lands in the state until the reclamation plan has been approved by the Department, and the operator has filed the required financial assurance.~~ Approval of a reclamation plan by the Department is required even if approval of such plan has been or will be obtained from a federal agency. (3-18-22)()

02. ~~No Operator Shall Conduct Mining Operations.~~ ~~No operator shall conduct mining operations on any lands in the state until the reclamation plan has been approved by the director, and the operator has filed financial assurance that meets the requirements of the chapter and these rules.~~ (3-18-22)

32. Application Package. The operator must submit a complete application package, for each separate mine or mine panel, before the reclamation plan will be approved. Separate mines are individual, physically disconnected operations. A complete application package consists of: (3-18-22)

- a. An application provided by the ~~director~~ **Department**; (3-18-22)()
- b. A map or maps of the proposed mining operation which includes the information required under Subsection 069.04~~3~~; (3-18-22)()
- c. A reclamation plan, in map and narrative form, which includes the information required under Subsection 069.04~~5~~; **and** (3-18-22)()
- d. An out-of-state operator ~~shall~~ **will** designate an in-state agent authorized to act on behalf of the operator. In case of an emergency that requires an action or actions to prevent environmental damage, both the operator and the authorized agent will be notified; **and** (3-18-22)()

- e. The correct fee listed in Section 068 of these rules. (3-18-22)

043. Map Requirements. ~~A vicinity map must be prepared on standard United States Geological Survey ("USGS") seven and one-half (7.5) minute quadrangle maps or equivalent. A map of the proposed mining operation site must be of sufficient scale to show:~~ A minimum of three (3) maps will be required. Based on individual site complexity, more than three (3) maps may be submitted to clearly identify map items listed in this section. Additional maps may be necessary to meet the requirements of Subsection 069.04. (3-18-22)()

a. A vicinity map must be prepared on standard United States Geological Survey seven and one-half (7.5) minute quadrangle maps or equivalent. The map must show the proposed location with respect to roads and other readily identifiable local landmarks, and the approximate location and names, if known, of drainages, streams, creeks, or water bodies within one thousand (1,000) feet of the mining operation. ()

b. A site detail map must be prepared to illustrate the proposed mining operation features. The site detail map must be of sufficient scale to show the following items: ()

ai. The location of existing and new access roads, ~~access,~~ and main haul roads to be constructed or reconstructed in conjunction with the mining operation ~~and the approximate dates for construction, reconstruction, and abandonment;~~ (3-18-22)()

b. ~~The approximate location and names, if known, of drainages, streams, creeks, or water bodies within one thousand (1,000) feet of the mining operation;~~ (3-18-22)

eii. The approximate boundaries of ~~the lands to be utilized in the~~ designated for mining operations, including a legal description to the quarter-quarter section; (3-18-22)()

diii. The approximate boundaries and acreage of the lands that will become affected land ~~as a result of the due to~~ mining operation activity during the first year of operations; (3-18-22)()

eiv. The currently planned storage locations of fuel, equipment maintenance products, wastes, and chemicals ~~that will be utilized in the mining operation;~~ (3-18-22)()

fv. The currently planned location and configuration of pits, overburden piles, crusher reject materials, mineral stockpiles, topsoil storage, wash plant ponds and sediment ponds ~~that will be utilized;~~ (3-18-22)()

vi. A surface ownership map of appropriate scale for boundary identification; and ()

gvii. At least two (2) ~~S~~ scaled cross-sections by length and height showing surface profiles prior to mining ~~and, at the end of mining, and after reclamation is complete. All three (3) profiles may be represented in one (1) cross section.~~ (3-18-22)()

h. A surface and mineral control or ownership map of appropriate scale for boundary identification; (3-18-22)

e. A drainage control map showing surface water drainage patterns and the location of BMPs that will be implemented to control erosion and water quality impacts during mining and reclamation activities; ()

54. Reclamation Plan Requirements. Reclamation plans must be submitted in map and narrative form and include the following: (3-18-22)

a. Where waters of the state are likely to be impacted or when requested by the ~~director~~ Department, documents identifying and assessing foreseeable, site-specific sources of water quality impacts from mining operations and proposed management activities, such as BMPs or other measures and practices, to comply with water quality requirements; (3-18-22)()

b. Scaled cross sections by length and height, showing planned surface profiles and slopes after reclamation; (3-18-22)

eb. Roads to be reclaimed; (3-18-22)

ec. A plan description of activities for revegetation of affected lands including soil types, slopes, precipitation, seed rates, species, handling of topsoil or other growth medium, time of planting, method of planting and, if necessary, fertilizer and mulching rates; (3-18-22)()

ed. The planned reclamation of wash plant or sediment ponds; (3-18-22)

f. ~~A drainage control map which identifies the location of BMPs that will be implemented to control erosion and water quality impacts during mining and reclamation activities;~~ (3-18-22)

ge. The location of any current 100-year floodplain in relation to the mining facilities if the floodplain is within one hundred (100) feet of the facilities, and the BMPs to be implemented that will keep surface waters from entering any pits and potentially changing the stream course. (3-18-22)()

hf. For operations over five (5) acres, an estimate of total reclamation cost to be used in establishing a financial assurance amount. ~~The cost estimate will include, but is not limited to, the approximate cost of grading, revegetation, equipment mobilization, labor, and other pertinent direct and indirect costs of a third-party to complete reclamation. See Section 120 of these rules for guidance on calculation of third-party reclamation costs.~~ (3-18-22)()

ig. If construction, mining, or reclamation will be completed in phases, a description of the tasks to be completed in each phase, an estimated schedule, and proposed adjustments of financial assurance related to each phase. (3-18-22)

70. APPLICATION PROCEDURE AND REQUIREMENTS FOR OTHER MINING OPERATIONS INCLUDING HARDROCK, UNDERGROUND AND PHOSPHATE MINING.

01. Reclamation Plan Approval Required. Approval of a reclamation plan by the Department is required even if approval of such plan has been or will be obtained from a federal agency. No operator ~~shall may~~ conduct mining operations on any lands in the state until the reclamation plan has been approved by the ~~director~~ Department, and the operator has filed the required financial assurance. (3-18-22)()

02. Application Package. The operator must submit a complete application package for each separate mine or mine panel before the reclamation plan will be approved. Separate mines are individual, physically disconnected operations. A complete application package consists of: (3-18-22)

a. All items and information required or allowed under Section 069 of these rules; (3-18-22)

b. Any additional information required by Subsection 070.04 of these rules; and (3-18-22)()

c. An operating plan, if required by Section 47-1506(b), Idaho Code, prepared in accordance with Subsection 070.05 of these rules. (3-18-22)

03. Map Requirements. Maps must be prepared in accordance with Subsection 069.043 of these rules with the addition of any tailings ~~facilities~~ infrastructure or process fluid ponds. (3-18-22)()

04. Reclamation Plan Requirements. Reclamation plans must include all of the information required under Subsection 069.054, including but not limited to phases as described in Subsection 069.054.i, and the following additional information: (3-18-22)()

a. A description of the planned reclamation of overburden disposal areas, tailings ~~facilities~~ infrastructure, and sediment ponds; and (3-18-22)()

b. An estimate of total reclamation cost to be used in establishing the financial assurance amount. ~~The cost estimate should include the approximate cost of grading, revegetation, equipment mobilization, labor, and other~~

~~pertinent costs for third party reclamation.~~ See Section 120 of these rules for guidance on calculation of third-party reclamation costs. (3-18-22)()

c. To assist in meeting the requirements of ~~paragraph Subsection~~ 069.054.a. in these rules, a summary of requirements from a stormwater pollution prevention plan (SWPPP), Idaho pollution discharge elimination system (IPDES) permit, ground water ~~p~~Point of eCompliance (POC), and other permits or approvals or BMPs related to foreseeable water quality impacts on the affected land. (3-18-22)()

d. Structures that will be built to help implement a SWPPP, IPDES permit, ~~Point of Compliance~~POC, or other permits or approvals related to foreseeable water quality impacts on the affected land. (3-18-22)()

e. Additional information regarding coarse and durable rock armor if any is proposed ~~to be used~~ for mine facility reclamation ~~of mine facilities~~. The ~~director~~ Department may, after considering the type, size, and potential environmental impact of the facility, require the operator to include additional information in the reclamation plan. Such information may include, but is not limited to, one (1) or more of the following: (3-18-22)()

i. A description of the quantities, size, geologic characteristics, and durability of the materials to be used for final reclamation and armoring. (3-18-22)

ii. A description of how the coarse and durable materials will be handled and/or stockpiled, including a schedule for such activities that will ensure adequate quantities are available during reclamation. (3-18-22)

f. The ~~director~~ Department may, after considering the type, size, and potential environmental impact of the facility, require the operator to provide a geotechnical analysis and report. If failure of these structures can reasonably be expected to impact adjacent surface or ground waters, or adjacent private or state-owned lands, the analysis may be required to consider the long-term stability of these structures, the potential for ground water accumulation, and the expected seismic accelerations at the site. The report must bear the imprint of an Idaho licensed professional engineer that is both signed and dated by the engineer. The report ~~shall~~ must show that the following features, if present, are designed in a manner that is consistent with industry standards to minimize the potential for failure of: (3-18-22)()

i. ~~Any w~~Waste rock or overburden stockpiles; (3-18-22)()

ii. ~~Any p~~Pit walls proposed to be more than one hundred (100) feet high; and (3-18-22)()

iii. ~~Any p~~Pit walls where geologic conditions could lead to failure of the wall regardless of the height. (3-18-22)()

g. Underground mines must provide the following additional information: (3-18-22)

i. Location and dimensions of all underground mine openings at the ground surface, including but not limited to vents, shafts, and adits; and (3-18-22)

ii. A description of how each mine opening in subparagraph 070.04.g.i of these rules will be secured during reclamation to eliminate hazards to human health and safety. (3-18-22)

h. A description of post-closure activities that includes the proposed length of the post-closure period and the following: (3-18-22)

i. A summary of procedures and methods for water management including any likely IPDES permit, stormwater permit, and monitoring required for any ground water ~~point of compliance~~POC, along with sufficient information to support a cost estimate for such water management activities. (3-18-22)()

ii. Care and maintenance for facilities after mining has ceased. (3-18-22)

i. Other pertinent information the Department has determined is necessary to ensure that the operator

will comply with the requirements of the ~~chapter~~ Act. (3-18-22)()

05. Operating Plan Requirements. A complete operating plan ~~shall~~ must consist of: (3-18-22)()

a. Ore, tailings, and waste rock handling flow sheets and diagrams. (3-18-22)

b. Waste rock management plan. (3-18-22)

c. Water quality monitoring locations. (3-18-22)

d. Anticipated concurrent reclamation prior to the cessation of mining. (3-18-22)

e. Estimated throughput and timeline for mining and ore processing. (3-18-22)()

f. Types of ore processing and beneficiation. (3-18-22)

g. Process fluid pond volumes and anticipated contents, if applicable. (3-18-22)

06. Monitoring Data. The Department will, as needed and through consultation with DEQ, obtain the operator's baseline data on ground water or surface water gathered during the planning and permitting process for the operation, and may require the operator to furnish additional monitoring data during the ~~life of the~~ project duration. This will not require any additional monitoring data where such data is already provided under an IPDES permit, SWPPP, ground water ~~point of compliance~~ POC, or other federal or state requirements for collecting surface or ground water data. (3-18-22)()

71. APPLICATION PROCEDURE AND REQUIREMENTS FOR PERMANENT CLOSURE OF CYANIDATION FACILITIES.

01. Permanent Closure Plan Approval Required. No operator ~~shall~~ may operate a new cyanidation facility or materially modify or materially expand an existing cyanidation facility prior to obtaining a permit, approval from the ~~director~~ Department, and before the operator has filed financial assurance, as required by these rules. (3-18-22)()

02. Permanent Closure Plan Requirements. A permanent closure plan ~~shall~~ must: (3-18-22)()

a. Identify the current owner of the cyanidation facility and the party responsible for the permanent closure and the long-term care and maintenance of the cyanidation facility; (3-18-22)

b. Include a timeline showing: (3-18-22)

i. The schedule to complete permanent closure activities, including neutralization of process waters and material stabilization, and the time period for which the operator is responsible for post-closure activities; and (3-18-22)

ii. If the operator plans to complete construction, operation, and/or permanent closure of the cyanidation facility in phases, the schedule to begin each phase of construction, operation, and/or permanent closure activities and any associated post-closure activities. (3-18-22)

c. Provide the objectives, methods, and procedures that will achieve neutralization of process waters and material stabilization during the closure period and through post-closure; (3-18-22)

d. Provide a water management plan from the time the cyanidation facility is in permanent closure through the defined post-closure period. The plan must be prepared in accordance with IDAPA 58.01.13, "Rules for Ore Processing by Cyanidation," administered by the DEQ, as required to meet the objectives of the permanent closure plan. (3-18-22)()

e. Include the schematic drawings for all BMPs that will be used during the closure period, through

the defined post-closure period, and a description of how the BMPs support the water management plan, and an explanation of the water conveyance systems that are planned for the cyanidation facility. (3-18-22)

f. Provide proposed post-construction topographic maps and scaled cross-sections showing the configuration of the final heap or tailing facility, including the final cap and cover designs and the plan for long-term operation and maintenance of the cap. Caps and covers used as source control measures for cyanidation facilities must be designed to minimize the interaction of meteoric waters, surface waters, and ground waters with wastes containing pollutants that are likely to be mobilized and discharged to waters of the state. Prior to approval of a permanent closure plan, engineering designs and specifications for caps and covers must bear the imprint of an Idaho licensed professional engineer that is both signed and dated by the engineer; (3-18-22)

g. Include monitoring plans for surface and ground water during closure and post-closure periods, adequate to demonstrate water quality trends and to ensure compliance with the stated permanent closure objectives and the requirements of the ~~chapter Act~~; (3-18-22)()

h. Provide an assessment of the potential impacts to soils, vegetation, and surface and ground waters for all areas to be used for the land application system and provide a mitigation plan, as appropriate. (3-18-22)

i. Provide information on how the operator will comply with ~~the Resource Conservation and Recovery Act, 42 U.S.C. United States Code~~ Section 6901 et seq.; ~~Idaho Hazardous Waste Management Act, Chapter 44, Title 39, Chapter 44, Idaho Code; Idaho Solid Waste Management Act, Chapter 74, Title 39, Chapter 74, Idaho Code~~; and appropriate state rules, during operation and permanent closure; (3-18-22)()

j. Provide sufficient detail to allow the operator to prepare an estimate of the reasonable costs to implement the permanent closure plan; (3-18-22)

k. Provide an estimate of the reasonable estimated costs to complete the permanent closure activities specified in the permanent closure plan in the event the operator fails to complete those activities. The estimate ~~shall~~ must: (3-18-22)()

i. Identify the incremental costs of attaining critical phases of the permanent closure plan and a proposed financial assurance release schedule; (3-18-22)

ii. Assume that permanent closure activities will be completed by a third party whose services are contracted for by the Board as a result of a financial assurance forfeiture under Section 47-1513, Idaho Code. (3-18-22)

l. ~~If the proposal is to complete cyanidation facility~~ Describe any phases proposed for construction, operation, and/or permanent closure ~~activities in phases of the cyanidation facility including:~~ (3-18-22)()

i. ~~Describe how~~ Describe how these activities will be phased and how, after the first phase of activities, each subsequent phase will be distinguished from the previous phase or phases; and (3-18-22)()

ii. ~~Describe how~~ Describe how any required post-closure activities will be addressed during and after each subsequent phase has begun. (3-18-22)()

m. Provide any additional information that may be required by the Department to ensure compliance with the objectives of the permanent closure plan and the requirements of the ~~chapter Act~~. (3-18-22)()

03. Preapplication Conference. Prospective applicants are encouraged to meet with the Department well in advance of preparing and submitting an application package to discuss the anticipated application requirements and application procedures, and to arrange for a visit or visits to the proposed location of the cyanidation facility. The preapplication conference may trigger a period of collaborative effort between the Department, the DEQ, and the applicant in developing checklists to be used by the agencies in reviewing an application for completion, accuracy, and protectiveness. (3-18-22)

04. Application Package for Permanent Closure. An application and its contents submitted to the

Department will be used to determine whether an applicant can complete all permanent closure activities in conformance with all applicable state laws. An application must provide information in sufficient detail to allow the ~~director~~ Department to make necessary application review decisions regarding cyanidation facility closure and protection of public health, safety, and welfare, in accordance with the ~~chapter~~ Act. A complete application package must be submitted to the Department. ~~A complete application package for an operator proposing to use cyanidation shall and will~~ consist of: (3-18-22)()

a. A Department application form. ~~completed, signed, and dated by the applicant. This form shall contain the following information:~~ (3-18-22)()

- i. ~~Name, location, and mailing address of the cyanidation facility;~~ (3-18-22)
- ii. ~~Name, mailing address, and phone number of the operator. An out-of-state operator shall designate an in-state agent authorized to act on his behalf. In case of an emergency that requires actions to prevent environmental damage, both the operator and his agent will be notified;~~ (3-18-22)
- iii. ~~Land ownership status (federal, state, private or public);~~ (3-18-22)
- iv. ~~The legal description to the quarter-quarter section of the location of the proposed cyanidation facility; and~~ (3-18-22)
- v. ~~The legal structure (corporation, partnership, etc.) and primary place of business of the operator.~~ (3-18-22)

b. Evidence that the applicant is authorized by the Secretary of State to conduct business in the state of Idaho; (3-18-22)

c. A permanent closure plan as prescribed in Subsection 071.02; (3-18-22)

d. The DEQ application and supporting materials; and (3-18-22)()

e. The fee as defined in Subsection 071.05.a. (3-18-22)

05. **Application Fee.** The application fee ~~shall~~ will consist of two (2) parts: (3-18-22)()

a. Processing and review fee. (3-18-22)

i. The applicant ~~shall~~ must pay a nonrefundable five thousand dollar (\$5,000) fee upon submission of an application. Within thirty (30) days of receiving an application and this fee, the ~~director shall~~ Department will provide a detailed cost estimate to the operator which includes a description of the scope of the Department's review; the assumptions on which the Department's estimate is based; and an itemized accounting of the anticipated number of labor hours, hourly labor rates, travel expenses and any other direct expenses the Department expects to incur, and indirect expenses equal to ten percent (10%) of the Department's estimated direct costs, as required to satisfy its statutory obligation pursuant to the ~~chapter~~ Act. (3-18-22)()

ii. If the Department's estimate is greater than five thousand dollars (\$5,000), the applicant may agree to pay a fee equal to the difference between five thousand dollars (\$5,000) and the Department's estimate, or may commence negotiations with the Department to establish a reasonable fee. (3-18-22)

iii. If, within twenty (20) days from issuance of the Department's estimate, the Department and applicant cannot agree on a reasonable application processing and review fee, the applicant may appeal to the Board. The Board ~~shall~~ will: (3-18-22)()

(1) Review the Department's estimate; (3-18-22)

(2) Conduct a hearing where the applicant is allowed to give testimony to the Board concerning the Department's estimate; and (3-18-22)

- (3) Establish the amount of the application review and processing fee. (3-18-22)
- iv. If the fee is more than five thousand dollars (\$5,000), the applicant ~~shall~~ must pay the balance of the fee within fifteen (15) days of the Board's decision or withdraw the application. (3-18-22)()
- v. Nothing in this section ~~shall~~ will extend the time in which the Board must act on a plan submitted. (3-18-22)()
- b. Permanent closure cost estimate verification fee. (3-18-22)
- i. Pursuant to Section 47-1506(g) and 47-1508(f), Idaho Code, the Department may employ a qualified independent party, acceptable to the operator and the Board, to verify the accuracy of the permanent closure cost estimate. (3-18-22)
- ii. The applicant is solely responsible for paying the Department's cost to employ a qualified independent party to verify the accuracy of the permanent closure cost estimate. The applicant may participate in the Department's processes for identifying qualified parties and selecting a party to perform this work. (3-18-22)
- iii. If a federal agency has responsibility to establish the financial assurance amount for permanent closure of a cyanidation facility on federal land, the Department may employ the firm retained by the federal agency to verify the accuracy of the permanent closure cost estimate. If the ~~director~~ Department chooses not to employ the firm retained by the federal agency, ~~he shall~~ it will provide a written justification explaining why the firm was not employed. (3-18-22)()

72. -- 079. (RESERVED)

80. PROCEDURES FOR REVIEW AND DECISION UPON AN APPLICATION FOR A RECLAMATION PLAN OR PERMANENT CLOSURE PLAN.

01. **Return of Application.** ~~Within thirty (30) days after receipt of a reclamation plan or permanent closure plan by the Department, a~~ An application may be returned for correction and resubmission if either the reclamation plan or permanent closure plan are incomplete. Permanent closure plans must be returned within thirty (30) days of submittal if they are incomplete. Return of an application by the ~~director shall~~ Department will constitute a rejection in accordance with Section 47-1507(b), Idaho Code. (3-18-22)()

02. **Agency Notification and Comments.** (3-18-22)

a. Nonconfidential materials submitted under Sections 069, 070, and 071 will be forwarded by the ~~director~~ Department to ~~the Idaho Departments of Water Resources IDWR, Environmental Quality DEQ, and Department of Fish and Game for review and comment. The~~ director Department may decide not to circulate applications submitted under Section 069 if the ~~director~~ Department determines the impacts of the proposed activities are minor and do not involve surface or ground waters. The ~~director~~ Department may provide public notice on receipt of a reclamation plan or permanent closure plan. In addition, nonconfidential contents of an application will be provided to individuals who request the information in writing, ~~as required by the Idaho Public Records Act.~~ (3-18-22)()

b. Upon receipt of a complete application for a reclamation plan or a permanent closure plan, the ~~director shall~~ Department will provide notice to the cities and counties where the mining or cyanidation facility operation is proposed, in accordance with Section 47-1505(7), Idaho Code. ~~The notice shall include the name and address of the operator, the procedure and schedule for the Department's review, and an invitation to review nonconfidential portions of the application, if requested in writing. Such notice will be provided upon receipt of a reclamation plan, a permanent closure plan, or any amended plan for an existing operation, or an amended cost estimate to complete permanent closure of a cyanidation facility, if required under the chapter and these rules.~~ (3-18-22)()

03. **Inspection.** The Department may determine that an inspection of the proposed mining site or

cyanidation facility location is necessary if the inspection will provide additional information or otherwise aid in processing the application. ()

a. If an inspection is determined necessary, the applicant will be contacted and asked that they or an authorized employee or agent be present at a mutually agreeable time. The Department may proceed with an inspection if the applicant or their designated employee or agent does not appear. ()

b. If weather conditions preclude an inspection, the Department will provide written notice to the applicant that review of the application has been suspended until weather conditions permit an inspection, and that the schedule for a decision will be extended up to thirty (30) days after weather conditions permit such inspection in accordance with Section 47-1507(c), Idaho Code. ()

04. Public Hearing. The Department may call a public hearing to determine whether a proposed application complies with the Act and these rules. A hearing will be conducted in accordance with Section 110 of these rules. ()

05. Referral to Board. The Department may refer the decision concerning an application to the Board. This action will not extend the time period for a decision to approve or deny an application. ()

36. Decision on Reclamation Plans. The ~~director shall~~ Department will review a new reclamation plan or an amended reclamation plan pursuant to Sections ~~47-1507~~ and ~~47-1508~~, Idaho Code. (3-18-22)()

a. Approval. (3-18-22)

i. Within sixty (60) days of receipt of an application that complies with Subsections 069 and 070 of these rules, the Department shall provide written notice to the applicant that the reclamation plan or any amendment(s) to an approved reclamation plan is approved or denied and, if approved, the ~~amount of the~~ financial assurance amount required; or (3-18-22)()

ii. If the ~~director~~ Department does not take action within sixty (60) days, a reclamation plan or any amendments thereof is deemed to comply with the ~~chapter Act~~, unless the sixty (60) day ~~time~~ period is extended pursuant to Section 47-1507(c), Idaho Code. (3-18-22)()

iii. ~~The operator and director may agree, in writing, to implement additional actions with respect to reclamation that extend beyond the requirements set forth in these rules.~~ (3-18-22)

b. Inspections. The director may determine that an inspection of the proposed mining site location is necessary if the inspection will provide additional information or otherwise aid in processing of the application. (3-18-22)

i. ~~If the director decides to perform an inspection, the applicant will be contacted and asked that he or an authorized employee or agent be present. This rule shall not prevent the Department from making an inspection of the site if the applicant does not appear.~~ (3-18-22)

ii. ~~If weather conditions preclude an inspection of a proposed mining operation, the director shall provide written notice to the applicant that review of the reclamation plan or an amended reclamation plan has been suspended until weather conditions permit an inspection, and that the schedule for a decision will be extended for up to thirty (30) days after weather conditions permit such inspection in accordance with Section 47-1507(c), Idaho Code.~~ (3-18-22)

47. Decision on Cyanidation Facility Permanent Closure Plans. Pursuant to Section 47-1507 and 47-1508, Idaho Code, following review of a complete application, the ~~director shall~~ Department will: (3-18-22)()

a. Coordination with DEQ. Initiate a coordinated interagency review of the application by providing a notice in writing to the DEQ Director that the Department has received an application for permanent closure of a cyanidation facility; (3-18-22)

b. Approval. (3-18-22)

i. Within one-hundred eighty (180) days of receipt of an application that complies with Subsection 071.04 of these rules, the Department shall provide written notice to the applicant that the permanent closure plan is approved or denied and, if approved, the ~~amount of the~~ permanent closure financial assurance amount required; or (3-18-22)()

ii. If the ~~director~~ Department does not take action within one-hundred eighty (180) days, a permanent closure plan, or any amendments thereof, is deemed to comply with the provisions of the ~~chapter Act~~, unless the one hundred eighty (180) day ~~time~~ period is extended in accordance with Section 47-1507(c), Idaho Code. (3-18-22)()

c. Inspections. ~~The director may determine that it is necessary to inspect the proposed cyanidation facility location if the inspection will provide additional information or otherwise aid in processing of the application.~~ (3-18-22)

i. ~~If the director determines to inspect the site, the applicant will be contacted and asked that he or an authorized employee or agent be present. The Department may proceed with an inspection if the applicant or his designated employee or agent does not appear.~~ (3-18-22)

ii. ~~If weather conditions preclude an inspection of the proposed cyanidation facility, the director shall provide written notice to the applicant that processing of the application has been suspended until weather conditions permit an inspection, and that the schedule for a decision is extended for up to thirty (30) days after weather conditions permit such inspection in accordance with Section 47-1507(c), Idaho Code.~~ (3-18-22)

58. Permanent Closure Plan Approval. (3-18-22)

a. The Department may condition its approval on issuance of a permit by the DEQ for the cyanidation facility. (3-18-22)

b. Except for the concurrent and additional permanent closure requirements that may be established in a permit issued by the DEQ pursuant to Section 39-118A, Idaho Code and IDAPA 58.01.13, ~~“Rules for Ore Processing by Cyanidation,”~~ an approved permanent closure plan shall define the nature and extent of the operator’s obligation under the ~~chapter Act~~. (3-18-22)()

c. The permanent closure plan, as approved by the Department in coordination with the DEQ, will be incorporated by reference into the cyanidation facility permit issued by DEQ as a permit condition and will be enforceable as such. The operator shall ensure that closure complies with the approved permanent closure plan and any additional permanent closure requirements as outlined in the permit issued by DEQ. (3-18-22)

d. No sooner than one hundred and twenty (120) days after an application for a permanent closure plan has been submitted to the Department, the applicant may submit a reclamation plan as required by Section 070 of these rules. The Department will review and approve the reclamation plan in accordance with Subsection 080 of these rules. (3-18-22)

e. Approval of a permanent closure plan by the Department is required even if approval of such plan has been or will be obtained from an appropriate federal agency. (3-18-22)

69. Denial of an Application. If the ~~director~~ Department rejects an application, ~~the director shall it will~~ deliver in writing to the applicant a statement of the reasons the application has been rejected, the factual findings upon which the rejection is based, a statement of the applicable statute(s) and rule(s), the manner in which the application failed to fulfill the requirements of these rules, and the action that must be taken or conditions that must be satisfied to meet the requirements of the ~~chapter Act~~ and these rules. The applicant may submit an amended application in accordance with Sections 069, 070 or 071 of these rules for review and, if appropriate, approval by the Department. The ~~director shall~~ Department will deny a reclamation plan, permanent closure plan, or any amendments thereof if: (3-18-22)()

a. The application is inaccurate or incomplete; (3-18-22)

b. The cyanidation facility as proposed cannot be conditioned for construction, operation, and closure to protect public safety, health, and welfare, in accordance with the scope and intent of these rules, or to protect beneficial uses of the waters of the state, as determined by the DEQ pursuant to Section 39-118A, Idaho Code and IDAPA 58.01.13, “Rules for Ore Processing by Cyanidation” and other DEQ rules cited therein. (3-18-22)()

~~07. Public Hearing. The director may call a public hearing to determine whether a proposed application complies with the chapter and these rules. A hearing will be conducted in accordance with Section 110 of these rules. (3-18-22)~~

~~08. Referral to Board. The director may refer the decision concerning an application to the Board. This action will not extend the time period for a decision to approve or deny an application. (3-18-22)~~

0910. Appeal of Final Order. Any final order of the Board regarding an application for a mining reclamation plan or for permanent closure of a cyanidation facility may be appealed as set forth in Section 47-1514, Idaho Code. (3-18-22)

81. -- 089. (RESERVED)

90. AMENDING AN APPROVED RECLAMATION PLAN.

01. Cause for Reclamation Plan Amendment. In the event circumstances arise that necessitate amendments to an approved reclamation plan, the operator ~~shall~~ **must** submit an application to amend the plan and state the reasons the amendment is necessary. Either the operator or the ~~director~~ **Department** may initiate a process to amend an approved reclamation plan. If the ~~director~~ **Department** identifies a material change ~~he it~~ believes requires a change in the reclamation plan, ~~the director must~~ **it will** deliver in writing to the operator a detailed statement identifying the material change and the action(s) necessary to address the material changes. Plan amendments have the same requirements as described in Section 069 and 070 of these rules. (3-18-22)()

02. Review of Amendment. The ~~director~~ **Department** will process an application to amend a plan in accordance with Sections 080 and 110 of these rules, provided, however, that no land or aspect or provision of an approved reclamation plan that would not be affected by the proposed amendment, is subject to the amendment, review or reapproval in connection with processing the application. Approval of an amendment ~~shall~~ **will** not be conditioned upon the performance of any actions not required by the approved reclamation plan or the proposed amendment itself; unless the operator agrees to perform such actions. (3-18-22)()

03. Adjustments. Adjustments to an approved reclamation plan may be made by agreement between the ~~director~~ **Department** and the operator; if the adjustment is consistent with the overall objectives of the approved reclamation plan and so long as applicable surface and ground water quality standards will be met. Adjustments are due to changes that are smaller than material changes. (3-18-22)()

91. AMENDING AN APPROVED PERMANENT CLOSURE PLAN.

01. Cause for Permanent Closure Plan Amendment. In the event circumstances arise that necessitate amendments to an approved permanent closure plan, the operator ~~shall~~ **must** submit an application to amend the permanent closure plan and state the reasons the amendment is necessary. Either the operator or the ~~director~~ **Department** may initiate a process to amend an approved permanent closure plan. Circumstances that could require a permanent closure plan to be amended include: (3-18-22)()

a. A material modification or material expansion in the cyanidation facility design or operation for which the approved permanent closure plan is no longer adequate; (3-18-22)

b. Conditions substantially different from those anticipated in the original permit for which the approved permanent closure plan is no longer adequate; or (3-18-22)

c. A material change as defined in Subsection 010.0910 of these rules. (3-18-22)()

02. Modifications at an Operator's Request. Requests from an operator to modify a permanent closure plan must be submitted to the Department in writing. The ~~director shall~~ Department will process an application for amendment in accordance with Section 080 of these rules. An application to amend a permanent closure plan ~~shall~~ must include: (3-18-22)()

- a. A written description of the circumstances that necessitate the amendment; (3-18-22)
- b. Data supporting the request; (3-18-22)
- c. The proposed amendment; (3-18-22)
- d. A description of how the amendment will impact the estimated cost to complete permanent closure pursuant to the ~~chapter Act~~; (3-18-22)()
- e. A cost estimate to implement the amended permanent closure plan, prepared in accordance with Subsection 071.02 of these rules; and (3-18-22)
- f. Payment of a reasonable fee as may be determined by the ~~director~~ Department in accordance with Section 47-1508, Idaho Code. (3-18-22)()

03. Modification at Request of ~~Director~~ Department. If, following consultation with the DEQ, the ~~director~~ Department determines that cause exists to amend the permanent closure plan ~~the director shall~~ it will notify the operator in writing of ~~his~~ its determination and explain the circumstances that have arisen which require the permanent closure plan to be amended. Within thirty (30) days or as agreed by the operator and the Department, the operator ~~shall~~ must submit an application to amend the permanent closure plan in accordance with Subsection 091.02. (3-18-22)()

04. Adjustment. Adjustments to an approved permanent closure plan may be made by agreement between the ~~director~~ Department and the operator, if the adjustment is consistent with the overall objectives of the approved permanent closure plan and so long as applicable surface and ground water quality standards will be met. (3-18-22)()

92. -- 099. (RESERVED)

100. DEVIATION FROM AN APPROVED RECLAMATION PLAN.

01. Unforeseen Events. If a mining operator finds that unforeseen events or unexpected conditions require immediate change from an approved plan, the operator may continue mining in accordance with the procedures dictated by the changed conditions, pending submission and approval of an amended plan, even though operations do not comply with the approved reclamation plan on file with the Department. This ~~shall~~ will not excuse the operator from complying with the requirements of Sections 140 and 120 of these rules. (3-18-22)()

02. Notification. The operator ~~shall~~ must notify the ~~director~~ Department, in writing, within ten (10) days of the discovery of conditions that require deviation from the approved plan. A proposed amendment to the reclamation plan must be submitted by the operator within thirty (30) days of the discovery of those conditions. (3-18-22)()

101. -- 109. (RESERVED)

110. PUBLIC HEARING.

01. Call for a Hearing. A public hearing called by the ~~director~~ Department following receipt of a complete application submitted in accordance with Sections 069, 070, or 071 of these rules is conducted in accordance with Section 47-1507(d), Idaho Code. The ~~director~~ Department may call for a hearing following ~~his~~ the preliminary review of an application for a new operation or an amendment application for an existing operation when one (1) or more of the following circumstances arises: (3-18-22)()

a. Public Concern. The public, potentially affected landowners, any governmental entity, or any other interested parties who may be affected by the operations proposed under the ~~chapter Act~~ have registered, in writing, a concern with the ~~director Department~~ regarding the proposed operations or cyanidation facility. The purpose of the public hearing is to gather written and oral comments as to whether the proposed reclamation plan or permanent closure plan meets the requirements of the ~~chapter Act~~ and these rules. (3-18-22)()

b. Agency Concern. The ~~director Department~~ determines, after consultation with the ~~Department of Water Resources~~, DEQ, the Department of Fish and Game, and affected Indian tribes that the proposed mining or cyanidation facility operations could reasonably be expected to significantly degrade adjacent surface and/or ground waters or otherwise threaten public health, safety or welfare. The purpose of a public hearing held under this subsection will be to receive written and oral comments on the measures the operator is proposing to use to protect surface and/or ground water quality from nonpoint source pollution. (3-18-22)()

02. Consolidation. If the ~~director Department~~ determines that a hearing should be held, ~~he shall it will~~ order that such proceedings be consolidated. The applicant and the public ~~must will~~ be advised of the specific subjects to be discussed at the hearing at least twenty (20) days prior to the hearing. The Department will coordinate with the DEQ, as appropriate, for any hearings relating to permanent closure of a cyanidation facility to streamline application processing. (3-18-22)()

03. Location. A hearing will be held in the locality of the proposed mine or a proposed cyanidation facility at a reasonably convenient time and place for public participation. The ~~director Department~~ may call for more than one hearing when conditions warrant. (3-18-22)()

04. Notice of Hearing. The ~~director shall Department will~~ provide at least twenty (20) days' advance notice of the date, time, and place of the hearing to: federal, state, and local governmental agencies, Indian tribes who may have an interest in the decision as shown on the application, and the public; to all persons who petitioned for a hearing; and to any person identified by the applicant under Subsection 070.02 as a legal owner of the land that will likely be affected by the proposed operations. Notice to the applicant ~~must will~~ be sent by certified mail and postmarked not less than twenty (20) days before the scheduled public hearing date. (3-18-22)()

05. Publication of Notice. The ~~director shall Department will~~ provide at least twenty (20) days advance notice to the general public of the date, time, and place of the hearing. A newspaper advertisement will be placed once a week, for two (2) consecutive weeks, in the locale of the area covered by the application. (3-18-22)()

a. In the event a hearing is ordered under Section 110, the notice ~~shall will~~ describe: (3-18-22)()

i. The potentially significant surface water quality impacts from the proposed mining operation and the operator's description of the measures that will be used to prevent degradation of adjacent surface and ground waters from sources of pollution; or (3-18-22)

ii. The objectives of a permanent closure plan that have been submitted for review. (3-18-22)

b. A copy of the application will be placed for review in a public place in the local area of the proposed mining operation or cyanidation facility, in the closest Department area office, and the Department's administrative office in Boise. (3-18-22)

06. Hearing Officer. The hearing will be conducted by the ~~director Department~~ or ~~his its~~ designated representative. Both oral and written testimony will be accepted. Proceedings of the hearing will be recorded ~~on audio tape~~ and a verbatim transcript will be prepared. (3-18-22)()

07. Consideration of Hearing Record. The Department will consider the hearing record when reviewing reclamation plans or permanent closure plans for final approval or rejection. (3-18-22)

111. COMPLETION OF PERMANENT CLOSURE.

01. Implementation of a Permanent Closure Plan. Unless otherwise specified in the approved permanent closure plan, an operator must begin implementation of the approved permanent closure plan as follows: (3-18-22)

- a. Within two (2) years of the final addition of new cyanide to the ore process circuit; or (3-18-22)
- b. If the product recovery phase of the cyanidation facility has been suspended for a period of more than two (2) years. (3-18-22)

02. Submittal of a Permanent Closure Report. The operator must submit a permanent closure report to the Department for review and approval. A permanent closure report must be of sufficient detail for the ~~directors of the~~ Department and DEQ to issue a determination that permanent closure, as defined by Subsection 010.157 of these rules, has been achieved. The permanent closure report ~~shall~~ must address: (3-18-22)()

- a. The effectiveness of material stabilization; (3-18-22)
- b. The effectiveness of the water management plan and the adequacy of the monitoring plan; (3-18-22)
- c. The final configuration of the cyanidation facility and its operational/closure status; (3-18-22)
- d. The post-closure operation, maintenance, and monitoring requirements, and the estimated reasonable cost to complete those activities; (3-18-22)
- e. The operational/closure status of any land application site of the cyanidation facilities; (3-18-22)
- f. Source control systems that have been constructed or implemented to eliminate, mitigate, or contain short- and long-term discharge of pollutants from the cyanidation facility, unless otherwise ~~permitted~~ approved; (3-18-22)()
- g. The short- and long-term water quality trends in surface and ground water through the statistical analysis of the existing monitoring data pursuant to the ore-processing by cyanidation permit; (3-18-22)
- h. Ownership and responsibility for the site upon permanent closure during the defined post-closure period; (3-18-22)
- i. The future beneficial uses of the land, surface and ground waters in and adjacent to the closed cyanidation facilities; and (3-18-22)
- j. How the permanent closure of the cyanidation facility complies with the Resource Conservation and Recovery Act, Hazardous Waste Management Act, Solid Waste Management Act, and appropriate rules. (3-18-22)

03. Review of a Permanent Closure Report. The Department will immediately forward a copy of the permanent closure report to DEQ for their review and comment. (3-18-22)

112. DECISION TO APPROVE OR DISAPPROVE OF A PERMANENT CLOSURE REPORT.

01. Receipt of a Permanent Closure Report. Within sixty (60) days of receipt of a permanent closure report, the ~~director shall~~ Department will issue to the operator a ~~director's~~ determination of approval or disapproval of the permanent closure report. (3-18-22)()

02. Permanent Closure Report Is Disapproved. The ~~director~~ Department's determination to approve or disapprove a permanent closure report will be based on the permanent closure report's demonstration that permanent closure has resulted in long-term neutralization of process waters and material stabilization. If a permanent closure report is disapproved, the ~~director shall~~ Department will provide in writing identification of: (3-18-22)()

- a. Errors or inaccuracies in the permanent closure report; (3-18-22)
- b. Issues or details that require additional clarification; (3-18-22)
- c. Failures to fully implement the approved permanent closure plans; (3-18-22)
- d. Failures to ensure protection for public health, safety, and welfare or to prevent degradation of waters of the state; (3-18-22)
- e. Outstanding violations or other noncompliance issues; and (3-18-22)
- f. Other issues supporting the Department's disagreement with the contents, final conclusions or recommendations of the permanent closure report. (3-18-22)

113. -- 119. (RESERVED)

120. FINANCIAL ASSURANCE REQUIREMENTS.

01. Submittal of Financial Assurance Before Mining. Prior to beginning any mining on a mine panel covered by a reclamation plan, an operator ~~shall~~ will submit to the ~~director~~ Department, on a Department form, financial assurance meeting the requirements of this rule. The initial financial assurance amount must at a minimum cover the anticipated affected acres over the first year of operations. (3-18-22)()

02. Submittal of Financial Assurance Before Operating a Cyanidation Facility. Prior to beginning operation of a cyanidation facility, an operator will submit to the ~~director~~ Department, on a Department form, financial assurance meeting the requirements of Section 47-1512(a)(2), Idaho Code. The financial assurance will be in an amount equal to the total costs estimated under ~~p~~Paragraph 071.02.k. and Section 120 of these rules. (3-18-22)()

03. Timely Financial Assurance Submittal. Financial assurance must be received by the Department within twenty-four (24) months of reclamation or permanent closure plan approval or the Department will cancel the respective plan without prejudice. If financial assurance is not received within eighteen (18) months of a plan approval, the Department will notify the operator that financial assurance is required prior to the twenty-four (24) month deadline. Extensions will be granted by the ~~director~~ Department for reasonable cause given if a written request is received prior to the deadline. If financial assurance or an extension request is not received by the deadline, the plan will be canceled. The operator must then submit a new plan application and application fee to restart the approval process. (3-18-22)()

04. Phased Financial Assurance. If the Department approves a reclamation plan or permanent closure plan with phased financial assurance, then financial assurance may increase or decrease incrementally commensurate with the additional reclamation or permanent closure liability. After construction and operation of the initial phase has commenced and after filing by an operator of the initial financial assurance, an operator will not construct any component of a subsequent phase or phases of the subject mine or cyanidation facility before filing the additional financial assurance amount that is required by the Board. If phased financial assurance is not authorized, the operator is required to file the financial assurance amount required to complete reclamation or permanent closure of all ~~planned phases prior to any construction of the mine or operation of the cyanidation facility~~ lands affected over the next calendar year. (3-18-22)()

05. Financial Assurance for Mines with Five (5) or Less ~~Disturbed~~ Acres of Authorized Land. Financial assurance will be a minimum of five thousand dollars (\$5,000) per acre unless the operator or the Department determine that the estimated reasonable costs of reclamation require a different amount. No financial assurance may exceed fifteen thousand dollars (\$15,000) for a given acre of affected land unless the condition in Subsection 120.07 of these rules have been met. (3-18-22)()

06. Financial Assurance for Cyanidation Facility ~~Affecting with~~ Five (5) or Less ~~Disturbed~~ Acres of Authorized Land. The Board may require financial assurance in excess of five million dollars (\$5,000,000) if the

conditions in Subsection 120.07 of these rules have been met.

(3-18-22)()

07. Process for Requiring Higher Financial Assurance. Financial assurance in excess of the amounts in Subsections 120.05 and 06 of this rule may only be obtained if:

(3-18-22)

a. The Board has determined that such financial assurance is necessary to meet the requirements of the ~~chapter Act~~; and

(3-18-22)()

b. The Board has delivered to the operator, in writing, a notice setting forth the reasons it believes such financial assurance is necessary; and

(3-18-22)

c. The Board has conducted a hearing where the operator is allowed to give testimony to the Board concerning the amount of the proposed financial assurance, as provided by Section 47-1512, Idaho Code. This requirement for a hearing may be waived, in writing, by the operator.

(3-18-22)

08. Financial Assurance for Mine or Cyanidation Facility with More than Five (5) ~~Disturbed Acres of Authorized Land~~. The amount of financial assurance ~~must will~~ be the amount necessary for the Board to pay the estimated reasonable costs of reclamation required under the reclamation plan or permanent closure plan, including indirect costs in Section 120 of these rules.

(3-18-22)()

09. Mobilization Costs are Direct Costs. Mobilization and demobilization costs will be included in financial assurance calculations as a direct cost. Costs will be calculated to the mine from the nearest community that has at least two (2) contractors able to perform the reclamation.

(3-18-22)

10. Indirect Costs for Reclamation Cost Calculations. Reclamation and permanent closure cost calculations ~~shall will~~ include the following indirect costs and should fall within the percentages given. If a different percentage is used, then a justification must be given. Alternatively, an operator may propose the use of an industry recognized standardized reclamation cost estimation tool for use in reclamation and/or permanent closure cost estimates and the use of the tool's associated indirect costs which are established using the project direct costs as identified:

(3-18-22)()

- a.** Contractor profit at six percent to ten percent (6% to 10%) of direct costs; (3-18-22)
- b.** Contractor overhead at four percent to eight percent (4% to 8%) of direct costs; (3-18-22)
- c.** Contractor insurance at one and a half percent (1.5%) of labor costs; (3-18-22)
- d.** Contractor bonding at two and a half percent to three and a half percent (2.5% to 3.5%) of direct costs; (3-18-22)
- e.** Contract administration at five percent to nine percent (5% to 9%) of direct costs; (3-18-22)
- f.** Re-engineering for mines or cyanidation facilities with direct reclamation costs over five hundred thousand dollars (\$500,000). Re-engineering will be three percent to seven percent (3% to 7%) of direct costs; (3-18-22)
- g.** Scope contingency at six percent to eleven percent (6% to 11%) of direct costs; (3-18-22)
- h.** Bid contingency at six percent to eleven percent (6% to 11%) of direct costs; and (3-18-22)
- i.** Other site specific costs as appropriate. (3-18-22)

11. Salvage Value Not Allowed. Reclamation or permanent closure costs will not be reduced by assigning a salvage value to structures or fixtures to be removed during reclamation.

(3-18-22)

12. Mining Operation Conducted by Public or Government. Notwithstanding any other provision of law to the contrary, the financial assurance provisions of the ~~chapter Act~~ and these rules do not apply to any surface

mining operations conducted by a public or governmental agency for maintenance, repair, or construction of a public highway. (3-18-22)()

13. Annual Financial Assurance Review for Reclamation Plans. At the beginning of each calendar year, the operator ~~shall~~ must notify the ~~director~~ Department of any increase in the acreage of affected land beyond that covered by the existing financial assurance which will result from planned mining activity within the next twelve (12) months. A commensurate increase in the financial assurance will be required for an increase in affected acreage. Any additional financial assurance required must be submitted on the appropriate form within ninety (90) days of operator's receipt of notice from the Department that an additional amount is required. In no event will mining operations be conducted that would affect additional acreage until the appropriate form and financial assurance has been submitted to the Department. Acreage on which reclamation is complete will be reported in accordance with Subsection 120.16 of these rules and after release of this acreage from the reclamation plan by the ~~director~~ Department, the financial assurance will be reduced by the amount appropriate to reflect the completed reclamation. (3-18-22)()

14. Financial Assurance Provided to the Federal Government. Any financial assurance provided to the federal government that also meets the requirements of Section 120 of these rules will be sufficient for the purposes of these rules. A mine providing financial assurance through an order under the Comprehensive Environmental Response, Compensation, and Liability Act is not required to submit financial assurance to the Department as described in ~~Idaho Code Section 47-1512(n)~~, Idaho Code. (3-18-22)()

15. Financial Assurance Reduction for Mines. (3-18-22)

a. An operator may petition the ~~director~~ Department for a change in the initial financial assurance amount. The ~~director~~ Department will review the petition and if satisfied with the information presented a revised financial assurance amount will be determined. The revised amount will be based upon the estimated cost that the ~~director~~ Department would incur should a forfeiture of financial assurance occur and it became necessary for the ~~director~~ Department, through contracting with a third party, to complete reclamation to the standards established in the plan. (3-18-22)()

b. Upon finding that any land covered by financial assurance will not be affected by mining, the operator will notify the ~~director~~ Department. The amount of the financial assurance will be reduced by the amount being held to reclaim those lands. (3-18-22)()

c. Any request for financial assurance reduction will be answered by the ~~director~~ Department within thirty (30) days of receiving such request unless weather conditions prevent inspection. (3-18-22)()

16. Financial Assurance Release Following Mine Reclamation. Upon completion of all or a portion of the reclamation or post-closure activity specified in the plan, the operator may notify the ~~director~~ Department of ~~his~~ its desire to secure release from financial assurance. When the ~~director~~ Department has verified that the requirements of the reclamation plan have been substantially met as stated in the plan, the financial assurance will be released. (3-18-22)()

a. Any request for financial assurance release will be answered by the ~~director~~ Department within thirty (30) days of receiving such request unless weather conditions prevent inspection. (3-18-22)()

b. If the ~~director~~ Department finds that a specific portion of the reclamation or post-closure has been substantially completed, the financial assurance may be reduced to the amount required to complete the remaining reclamation or post-closure. The following schedule will be used to complete these financial assurance reductions unless the ~~director~~ Department determines in a specific case that this schedule is not appropriate and specifies a different schedule, or the approved reclamation plan has a different schedule based on site-specific conditions. (3-18-22)()

i. Sixty percent (60%) of the financial assurance may be released when the operator completes the required backfilling, regrading, topsoil replacement, and drainage control of a specific area in accordance with the approved reclamation plan; and (3-18-22)

ii. After revegetation activities have been performed by the operator on the regraded lands, according to the approved reclamation plan, the Department may release an additional twenty-five percent (25%) of the financial assurance. (3-18-22)

c. The remaining financial assurance ~~shall~~ will not be released: (3-18-22)()

i. As long as the affected lands are contributing suspended solids to surface waters outside the affected area in excess of state water quality standards and in greater quantities than existed prior to the commencement of mining operations; (3-18-22)

ii. Until final removal of equipment and structures related to the mining activity or until any remaining equipment and structures are brought under an approved reclamation plan and financial assurance by a new operator; and (3-18-22)

iii. Until all temporary sediment or erosion control structures have been removed and reclaimed or until such structures are brought under an approved reclamation plan and financial assurance by a new operator. (3-18-22)

17. Corporate Guarantee Released First. If an operator provides part of their financial assurance through a corporate guarantee, then the corporate guarantee will be released prior to any other type of financial assurance being released. Other types of financial assurance will only be released after the corporate guarantee has been completely released. (3-18-22)

18. Cooperative Agreements. The ~~director~~ Department may through private conference, conciliation, and persuasion reach a cooperative agreement with the operator to correct deficiencies in complying with the reclamation plan and thereby postpone action to forfeit the financial assurance and cancel the reclamation plan if all deficiencies are satisfactorily corrected within the time specified by the cooperative agreement. (3-18-22)()

19. Permanent Closure Financial Assurance Review. The Department will periodically review all financial assurances filed for permanent closure to determine their sufficiency to complete the work required by an approved permanent closure plan. For reviews conducted under paragraphs a and b the ~~director~~ Department may employ a qualified independent party to verify the accuracy of the revised permanent closure cost estimate as described in ~~p~~ Paragraph 071.05.b. of these rules. (3-18-22)()

a. Once every three (3) years, the operator must submit an updated permanent closure cost estimate to the Department for review. The ~~director~~ Department will review the updated estimate to determine whether the existing financial assurance amount is adequate to implement the permanent closure plan, as approved by the Department. Any resulting change in the financial assurance amount does not in and of itself require an amendment to the permanent closure plan as may be required by Section 091 of these rules. The ~~director~~ Department will review the estimate to determine whether the existing financial assurance amount is adequate to complete permanent closure of the cyanidation facility. (3-18-22)()

b. When the ~~director~~ Department determines that there has been a material change in the estimated reasonable costs to complete permanent closure: (3-18-22)()

i. The ~~director~~ Department will notify the operator in writing of ~~his~~ its intent to reevaluate the financial assurance amount. Within a reasonable time period determined by the Department, the operator will provide to the Department a revised cost estimate to complete permanent closure as approved by the Department. (3-18-22)()

ii. The Department will then notify the operator in writing W ~~within thirty (30) days of receipt of the revised cost estimate, the director will notify the operator in writing of his determination of financial assurance adequacy, if the estimate is complete; and~~ (3-18-22)()

iii. Within ninety (90) days of notification of the ~~director~~ Department's assessment, the operator will make the appropriate adjustment to the financial assurance or the ~~director~~ Department will reduce the financial assurance as appropriate. (3-18-22)()

c. The Department may conduct an internal review of the amount of each financial assurance annually to determine whether it is adequate to complete permanent closure. (3-18-22)

20. Permanent Closure Financial Assurance Release. (3-18-22)

a. A financial assurance filed for permanent closure of a cyanidation facility will be released according to the schedule in the permanent closure plan. The schedule will include provisions for the release of the post-closure monitoring and maintenance portions of the financial assurance. The schedule may be adjusted to reflect the operator's performance of permanent closure activities and their demonstrated effectiveness. (3-18-22)

b. Upon completion of an activity required by an approved permanent closure plan, the operator may request in writing a financial assurance reduction for that activity. The Department will notify the operator within thirty (30) days whether or not the activity meets the requirements of the permanent closure plan. When the ~~director~~ Department, in consultation with DEQ, has verified that the activity meets the requirements of the permanent closure plan, the financial assurance will be reduced by an amount to reflect the activity completed. (3-18-22)()

c. Upon the ~~director~~ Department's determination that all activities specified in the permanent closure plan have been successfully completed, the Department will, in accordance with Section 47-1512(i), Idaho Code, release the balance remaining after partial financial assurance releases. (3-18-22)()

21. Liabilities for Reclamation Costs Not Covered by Financial Assurance. An operator who is not required to furnish financial assurance by these rules but fails to reclaim may be subject to a civil penalty under Section 47-1513(c), Idaho Code. The amount of the civil penalty will be the estimated cost of reasonable reclamation of affected lands as determined by the ~~director~~ Department. Reasonable reclamation of the site will be presumed to be in accordance with the standards established in the approved reclamation plan. The amount of the civil penalty is in addition to those described in Section 47-1513(f), Idaho Code. (3-18-22)()

22. Appeal Process for Financial Assurance Decisions. All decisions regarding financial assurance extension requests, plan cancellation, financial assurance reduction, or financial assurance release as described in Section 120 of these rules are subject to appeal as described in Section 58-104, Idaho Code, and Section 47-1514, Idaho Code. (3-18-22)()

121. (RESERVED)

122. FORM OF FINANCIAL ASSURANCE.

01. Corporate Surety Bond. (3-18-22)

a. A corporate surety bond is an indemnity agreement executed for the operator and a corporate surety licensed to do business in the state of Idaho, filed on the appropriate Department form. The bond must be payable to the state of Idaho and conditioned to require the operator to faithfully perform all requirements of the ~~chapter~~ Act, and the rules in effect on the date that a reclamation plan or a permanent closure plan was approved by the Department. (3-18-22)()

b. The surety company issuing the bond must, at a minimum, be among those listed as acceptable sureties in Circular 570 of the U.S. Department of the Treasury. (3-18-22)

c. When replacement financial assurance is submitted, the following rider must be filed with the Department as part of the replacement before the existing financial assurance will be released: "[Surety company or principal] understands and expressly agrees that the liability under this bond shall extend to all acts for which reclamation is required on areas ~~disturbed~~ affected in connection with reclamation plan or permanent closure plan [number], both prior to and subsequent to the date of this rider." (3-18-22)()

02. Collateral Bond. A collateral bond is an indemnity agreement executed by or for the operator, payable to the state of Idaho, pledging cash deposits, government securities, real property, time deposit receipts, or certificates of deposit of any financial institution authorized to do business in the state. Collateral bonds are subject to

the following conditions.

(3-18-22)

a. The ~~director shall~~ Department will obtain possession of cash or other negotiable collateral bonds, and, upon receipt, deposit them with the state treasurer to hold them in trust for the purpose of bonding reclamation or permanent closure performance. (3-18-22)()

b. The ~~director shall~~ Department will value the collateral at its current market value minus any penalty for early withdrawal, not its face value. (3-18-22)()

c. Certificates of deposit or time deposit receipts are issued or assigned, in writing, to the state of Idaho and upon the books of the financial institution issuing such certificates. Interest will be allowed to accrue and may be paid by the bank, upon demand and after written release by the Department, to the operator or another person who posted the collateral bond. (3-18-22)

d. Amount of an individual certificate of deposit or time deposit receipt may not exceed the maximum amount insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or their successors. (3-18-22)

e. Financial institutions issuing certificates of deposit or time deposit receipts will waive all rights of set-off or liens which it has or might have against such certificates, and will place holds on those funds that prevent the operator from withdrawing funds until the Department sends a written release to the bank. (3-18-22)

f. Certificates of deposit and time deposit receipts must be automatically renewable. (3-18-22)

03. Letters of Credit. A letter of credit is an instrument executed by a bank doing business in Idaho, made at the request of a customer. A letter of credit states that the issuing bank will honor drafts for payment upon compliance with the terms of the credit. Letters of credit are subject to the following conditions. (3-18-22)

a. All credits must be irrevocable and prepared in a format prescribed by the ~~director~~ Department. (3-18-22)()

b. All credits must be issued by an institution authorized to do business in the state of Idaho or through a correspondent bank authorized to do business in the state of Idaho. (3-18-22)

c. The account party on all credits must be identical to the entity identified in the reclamation plan or in the permanent closure plan and on the cyanidation facility permit as the party obligated to complete reclamation or permanent closure. (3-18-22)

04. Real Property. Real property used as a collateral bond must be a perfected, first lien security interest in real property located within the state of Idaho, in favor of the state of Idaho, which meets the requirements of these rules using a deed of trust form acceptable to the Department for all lands forty (40) acres or less, or a mortgage form approved by the Department for all lands over forty (40) acres. (3-18-22)

a. The following information must be submitted for real property collateral: (3-18-22)

i. The value of the real property. The property will be valued at the difference between the fair market value and any reasonable expense anticipated by the Department in selling the property. The fair market value will be determined by an appraisal conducted by a licensed appraiser. The appraiser will be selected by the Department and the Department will provide appraisal instructions; however, the operator may propose an appraiser to the Department. The appraisal will be performed in a timely manner, and a copy sent to the Department and the operator. The expense of the appraisal will be borne by the operator. The real property will be reappraised every three (3) years; (3-18-22)

ii. A description of the property and a site improvement survey plat to verify legal descriptions of the property and to identify the existence of recorded easements; (3-18-22)

iii. Proof of ownership and title to the real property; (3-18-22)

iv. A current title binder which provides evidence of clear title containing no exceptions, or containing only exceptions acceptable to the ~~director~~ Department; and (3-18-22)()

v. Phase I environmental assessment. (3-18-22)

b. Real property will not include any lands in the process of being mined, reclaimed, or planned to be mined under an approved reclamation plan. The operator may offer any lands within a reclamation plan that have received full release of financial assurances. In addition, any land used as a security will not be mined or otherwise ~~disturbed~~ affected while it is a security. The acceptance of real property within the permit boundary will be at the discretion of the ~~director~~ Department. (3-18-22)()

05. Trusts. Trusts are subject to the requirements of Section 47-1512(1) and 68-101, Idaho Code. The proposed trustee, range of investments, initial funding, schedule of payments, trustee fees, and expected rate of return are subject to review and approval by the Department through a memorandum of agreement with the operator. The trustee will invest the principal and income of the fund in accordance with general investment practices. Investments can include equities, bonds, and government securities and be well diversified in accordance with the following conditions: (3-18-22)

a. The joint party on the trust must be identical to the entity identified in the reclamation plan or in the permanent closure plan as the party obligated to complete reclamation or permanent closure. (3-18-22)

b. The trustee must be an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a federal or state agency. (3-18-22)

c. Equities may include stock funds, stock index funds, or individual stocks, but an individual stock may not exceed five percent (5%) of the total value of the trust. Direct investments in the operator's company or parent company are not allowed. Corporate equities must not exceed seventy percent (70%) of the total value of the trust fund. (3-18-22)

d. Bonds or money market funds must be investment-grade rated securities from a nationally recognized securities rating service. Individual corporate bonds may not exceed five percent (5%) of the total value of the trust. (3-18-22)

e. Payments into the trust will be made as follows: (3-18-22)

i. When used to cover reclamation or permanent closure costs, the trust fund will be initially funded in an amount needed to cover any surface disturbance in the first year of the trust fund. Annual payments into the trust will occur as needed prior to the disturbance of additional affected land at the mine or cyanidation facility. (3-18-22)

ii. When used to cover a portion of reclamation or permanent closure costs in combination with other types of financial assurance, the initial and annual payments will be the pro-rata amount of the reclamation or permanent closure costs as described in subparagraph 122.05.e.i of these rules. (3-18-22)

iii. When used to cover the anticipated post-closure costs, a payment schedule will be created in the memorandum of agreement. The trust fund, together with the anticipated earnings, must be enough at the expected start of the post-closure period to cover the costs of the post-closure period. (3-18-22)

f. Disbursements from the trust will only occur upon written authorization of the Department. Disbursements include payments to the trustee or any other payment of funds not related to financial assurance release and not specifically mentioned in the memorandum of agreement. (3-18-22)

g. Trusts will be irrevocable. (3-18-22)

h. Income accrued on trust funds will be retained in the trust, except as otherwise agreed by the ~~director~~ Department under the terms of an agreement governing the trust. (3-18-22)()

06. Corporate Guarantees. (3-18-22)

a. Up to fifty percent (50%) of required financial assurance for reclamation costs may be provided by a corporate guarantee. Post-closure costs for reclamation plans and permanent closure plans cannot be covered by a corporate guarantee. (3-18-22)

b. Only operators who submit plans under Sections 070 or 071 of these rules may provide a corporate guarantee. (3-18-22)

c. Operators who want to provide financial assurance through a corporate guarantee must provide an audited financial statement from a third-party certified public accountant that meets the requirements of IDAPA 24.30.01, ~~the Idaho Accountancy Rule~~. The audited financial statement must show the operator meets two (2) of the following three (3) criteria and the criteria in paragraph d of this section: (3-18-22)()

i. Ratio of total liabilities to stockholder's equity is less than two (2) to one (1); (3-18-22)

ii. Ratio of sum of net income plus depreciation, depletion, and amortization to total liabilities greater than ten one-hundredths (0.1) to one (1); or (3-18-22)

iii. Ratio of current assets to current liabilities greater than one and fifty one-hundredths (1.5) to one (1). (3-18-22)

d. The following financial criteria must also be met for a corporate guarantee: (3-18-22)

i. Net working capital and tangible net worth are each equal to or greater than the total reclamation or permanent closure cost estimate; (3-18-22)

ii. Tangible net worth of at least ten million dollars (\$10,000,000); and (3-18-22)

iii. At least ninety percent (90%) of the corporation's total assets are in the United States, or the total assets in the United States are at least six (6) times greater than total reclamation or permanent closure cost estimate. (3-18-22)

e. A corporate guarantee can be provided by a parent company guarantor if that guarantor meets the conditions of paragraphs (c) and (d) in this section as if it were the operator. The terms of this corporate guarantee will provide for the following: (3-18-22)

i. The operator and the parent company will submit to the Department an indemnity agreement signed by corporate officers from both companies who are authorized to bind their corporations. The operator or parent company must also provide an affidavit certifying that such an agreement is valid under all applicable federal and state laws. The indemnity agreement will bind each party jointly and severally; (3-18-22)

ii. If the operator fails to complete reclamation or permanent closure, the parent company guarantor will do so or the guarantor will be liable under the indemnity agreement to provide funds to the Department sufficient to complete reclamation or permanent closure as per the plan, but not to exceed the financial assurance amount; (3-18-22)

iii. The corporate guarantee will remain in force unless the parent company guarantor sends notice of cancellation by certified mail to the operator and to the Department at least ninety (90) days in advance of the cancellation date, and the Department accepts the cancellation; ~~and~~ (3-18-22)()

iv. The cancellation will be accepted by the Department only if the operator obtains replacement financial assurance before the cancellation date or if the lands for which the corporate guarantee, or portion thereof, was accepted have not been ~~disturbed~~, ~~affected~~; ~~and~~ (3-18-22)()

v. If the operator is a partnership or joint venture, the indemnity agreement will bind each partner or member who has a beneficial interest, directly or indirectly, in the operator. (3-18-22)

f. The operator, or parent company guarantor, is required to either complete the approved reclamation or permanent closure plan for the lands in default, or pay to the Department an amount necessary to complete the approved reclamation, not to exceed the amount established in Section 120 of these rules. (3-18-22)

g. The operator or parent company guarantor will submit an annual update of the information required under paragraphs (c) and (d) of this section by April 1 following the issuance of the corporate guarantee. (3-18-22)

h. If the operator or parent company guarantor's financial fitness falls below the eligibility for providing a corporate guarantee they will immediately notify the Department, and the Department will require the operator to submit replacement financial assurance within ninety (90) days of being notified. (3-18-22)

i. The Department may require the operator or parent company guarantor to provide an update of the information in paragraphs (c) and (d) in this section at any time. The update must be provided within thirty (30) days of being requested. The requirements of paragraph (h) in this Section will then apply. (3-18-22)

07. Blanket Financial Assurance. Where an operator is involved in more than one (1) reclamation plan or permanent closure plan ~~permitted~~ approved by the Department, the ~~director~~ Department may accept a blanket financial assurance in lieu of separate reclamation or permanent closure financial assurances under the approved plans. The amount of such financial assurance must be equal to the total of the requirements of the separate financial assurances being combined into a single financial assurance, as determined pursuant to Section 47-1512, Idaho Code, and in accordance with Section 120 of these rules. The principal is liable for an amount no more than the financial assurance filed for completion of reclamation activities or permanent closure activities if the Department takes action against the financial assurance pursuant to Section 47-1513, Idaho Code and Section 123 of these rules. (3-18-22)()

08. Reclamation Fund. Reclamation plans processed under Section 069 of these rules may provide financial assurance through the Reclamation Fund established by Section 47-18, Idaho Code, and IDAPA 20.03.03. If financial assurance is provided through the Reclamation Fund, no other type of financial assurance may be combined with it on an individual mine site. (3-18-22)

09. Multiple Forms of Financial Assurance Accepted. An operator may combine more than one type of financial assurance, within the limitations of each type of financial assurance, to reach the full amount of the required financial assurance for a reclamation plan or permanent closure plan. (3-18-22)

123. FORFEITURE OF FINANCIAL ASSURANCE.

A financial assurance may be forfeited in accordance with Section 47-1513, Idaho Code, when the operator has not conducted the reclamation or has not conducted permanent closure in accord with an approved plan and the applicable requirements of these rules. (3-18-22)

124. -- 129. (RESERVED)

130. TRANSFERASSIGNMENT OF APPROVED PLANS.

01. Reclamation Plans. A reclamation plan may be ~~transferred~~ assigned from one (1) operator to another only after the Department's approval. To complete ~~a transfer~~ an assignment, the new applicant must file a notarized ~~assumption of reclamation plan form as prescribed by the~~ Department form and provide replacement financial assurance. The new operator is responsible for the past operator's obligations under the ~~chapter Act~~, these rules, and the reclamation plan. (3-18-22)()

02. Permanent Closure Plans. An approved permanent closure plan permit may be ~~transferred~~ assigned to a new operator if ~~he~~ they provides written notice to the ~~director~~ Department that includes a specific date for ~~transfer~~ assignment of permanent closure responsibility, coverage, and liability between the old and new operators no later than ten (10) days after the date of closure. An operator is required to provide such notice at the same time ~~he~~ they provides notice to the DEQ as required in IDAPA 58.01.13, "Rules for Ore Processing by Cyanidation." To complete ~~a transfer~~ an assignment, the new applicant must: (3-18-22)()

and **a.** File a notarized ~~assumption of permanent closure plan form as prescribed by the~~ Department ~~form;~~ (3-18-22)()

b. File a replacement permanent closure plan financial assurance ~~on a form approved by the~~ Department. (3-18-22)()

131. -- 139. (RESERVED)

140. BEST MANAGEMENT PRACTICES AND RECLAMATION FOR MINING OPERATION AND PERMANENT CLOSURE OF CYANIDATION FACILITIES.

These are the minimum standards expected for all activities covered by these rules. Specific standards for individual mines may be appropriate based on site specific circumstances, and must be described in the plan. (3-18-22)

01. Nonpoint Source Control. (3-18-22)

a. Appropriate BMPs for nonpoint source controls will be designed, constructed, and maintained with respect to site-specific mining operations or permanent closure activities. Operators ~~shall~~ **must** utilize BMPs designed to achieve state water quality standards and to protect existing beneficial uses of adjacent waters of the state. State water quality standards, as administered by DEQ, is the standard that must be achieved by BMPs. (3-18-22)()

b. If the BMPs utilized by the operator do not result in compliance with Subsection 140.01.a., the ~~director shall~~ **Department will** require the operator to modify or improve such BMPs to meet the controlling, water quality standards as set forth in current laws, rules, and regulations. (3-18-22)()

02. Sediment Control. In addition to proper mining techniques and reclamation measures, the operator ~~shall~~ **must** take necessary steps at the close of each operating season to assure that sediment movement associated with surface runoff over the area is minimized in order to achieve water quality standards, or to preserve the condition of water runoff from the mined area prior to commencement of the subject mining or exploration operations, whichever is the more appropriate standard. Sediment control measures refer to best management practices carried out within and, if necessary, adjacent to the ~~disturbed area~~ **affected land** and consist of utilization of proper mining and reclamation measures, as well as specific necessary sediment control methods, separately or in combination. Specific sediment control methods may include, but are not limited to: (3-18-22)()

a. Keeping the ~~disturbed area~~ **affected land** to a minimum at any given time through progressive reclamation; (3-18-22)()

b. Shaping waste to help reduce the rate and volume of water runoff by increasing infiltration; (3-18-22)

c. Retaining sediment within the ~~disturbed area~~ **affected land**; (3-18-22)()

d. Diverting surface runoff around the ~~disturbed area~~ **affected land**; (3-18-22)()

e. Routing runoff through the ~~disturbed area~~ **affected land** using protected channels or pipes so as not to increase sediment load; (3-18-22)()

f. Use of riprap, straw dikes, check dams, mulches, temporary vegetation, or other measures to reduce overland flow velocities, reduce runoff volume, or retain sediment; and (3-18-22)

g. Use of adequate sediment ponds, with or without chemical treatment. (3-18-22)

03. Clearing and Grubbing. Clearing and grubbing of land in preparation for mining exposes mineral soil to the erosive effects of moving water. Operators are cautioned to keep such areas as small as possible (preferably no more than one (1) year's mining activity) as the operator is required to meet the applicable surface water quality standards on all such areas. Where practicable, trees and slash should be stockpiled for use in seedbed protection and erosion control. (3-18-22)

04. Overburden/Topsoil. To aid in the revegetation of affected lands where mining operations result in the removal of substantial amounts of overburden including any topsoil, the operator should remove the available topsoil or other growth medium as a separate operation for such area. Unless there are previously affected lands which are graded and immediately available for placement of the newly removed topsoil or other growth medium, the topsoil or other growth medium will be stockpiled and protected from erosion and contamination until such areas become available. (3-18-22)

a. Overburden/Topsoil Removal. (3-18-22)

i. Any overburden/topsoil to be removed should be removed prior to any other mining activity to prevent loss or contamination; (3-18-22)

ii. Where overburden/topsoil removal exposes land area to potential erosion, the ~~director~~ Department, under the reclamation plan, may require BMPs necessary to prevent violation of water quality standards; and (3-18-22)()

iii. Where the operator can show that an overburden material other than topsoil is conducive to plant growth, or where overburden other than topsoil is the only material reasonably available, such overburden may be allowed as a substitute for or a supplement to the available topsoil. (3-18-22)

b. Topsoil Storage. Topsoil stockpiles will be placed to minimize rehandling and exposure to excessive wind and water erosion. Topsoil stockpiles will be protected as necessary from erosion by use of temporary vegetation or by other methods which will control erosion, including, but not limited to, silt fences, chemical binders, seeding, and mulching. (3-18-22)

c. Overburden Storage. Stockpiled ridges of overburden will be leveled in such a manner as to have a minimum width of ten (10) feet at the top. Peaks of overburden will be leveled in such a manner as to have a minimum width of fifteen (15) feet at the top. The overburden piles will be reasonably prepared to control erosion using best management practices; such activities may include terracing, silt fences, chemical binders, seeding, mulching or slope reduction. (3-18-22)

d. Topsoil Placement. ~~Abandoned~~ Where appropriate slope angle allows, affected lands must be covered with topsoil or other type of overburden that is conducive to plant growth, to the extent such materials are readily available, in order to achieve a stable uniform thickness. Excessive compaction of overburden and topsoil is to be avoided. Topsoil redistribution will be timed so that seeding, or other protective measures, can be readily applied to prevent compaction and erosion. (3-18-22)()

e. Fill. Backfill and fill materials should be compacted in a manner to ensure stability. (3-18-22)

05. Roads. (3-18-22)

a. Roads must be constructed to minimize soil erosion, which may require restrictions on the length and grade of the roadbed, surfacing of roads with durable non-toxic material, stabilization of cut and fill slopes, and other techniques designed to control erosion. (3-18-22)

b. All access and haul roads must be adequately drained. Drainage structures may include, but are not limited to, properly installed ditches, water-bars, cross drains, culverts, and sediment traps. (3-18-22)

c. Culverts that are to be maintained for more than one (1) year must be designed to pass peak flows from not less than a twenty (20) year, twenty-four (24) hour precipitation event and have a minimum diameter of eighteen (18) inches. (3-18-22)

d. Roads and water control structures will be maintained at periodic intervals as needed. Water control structures serving to drain roads must not be blocked or restricted in any manner to impede drainage or significantly alter the intended purpose of the structure. (3-18-22)

e. Roads that will not be recontoured to approximate original contours upon abandonment will be

cross-ditched and revegetated, as necessary, to control erosion. (3-18-22)

f. Roads that are not abandoned and continue to be used under the jurisdiction of a governmental or private landowner, will comply with the nonpoint source sediment control provisions of Subsection 140.02 until the successor assumes control. (3-18-22)

06. Backfilling and Grading. (3-18-22)

a. Every operator who conducts mining or cyanidation facility operations which disturb less than two (2) acres ~~shall~~ will, where possible, contour the ~~disturbed~~ affected land to its approximate previous contour. These lands must be revegetated in accordance with Subsection 140.11. (3-18-22)()

b. An operator who conducts mining or cyanidation facility operations which disturb two (2) acres or more ~~shall~~ will reduce all waste piles and depressions to the lowest practicable grade. This grade ~~shall~~ must not exceed the angle of repose or maximum slope of natural stability for such waste or generate erosion in which sediment enters waters of the state. (3-18-22)()

c. Backfill and fill materials should be compacted in a manner to ensure mass and surface stability. (3-18-22)

d. After the ~~disturbed~~ affected area has been graded, slopes will be measured for consistency with the approved reclamation plan or the permanent closure plan. (3-18-22)()

07. Disposal of Waste in Areas Other Than Mine Excavation. Waste material not used to backfill mined areas will be transported and placed in a manner designed to stabilize the waste piles and control erosion. (3-18-22)

a. The available disposal area should be on a moderately sloped, naturally stable area. The site should be near the head of a drainage to reduce the area of watershed above the fill. (3-18-22)

b. All surface water flows within the disposal area must be diverted and drained using accepted engineering practices such as a system of French drains, to keep water from entering the waste pile. These measures must be implemented in accordance with standards prescribed by the Idaho Stream Channel Protection Act, [Title 42, Chapter 38](#), Idaho Code, and the Idaho Dam Safety Act, Sections [42-1710](#) through [42-1721](#), Idaho Code, if applicable. (3-18-22)

c. The waste material not used in backfilling mined areas should be compacted, where practical, and should be covered and graded to allow surface drainage and ensure long-term stability. (3-18-22)

d. The operator may, if appropriate, use terraces or slope reduction to stabilize the face of any fill. Slopes of the fill material should not exceed angle of repose or generate erosion in which sediment enters waters of the state. (3-18-22)

e. Unless adequate drainage is provided through a fill area, all surface water above the fill must be diverted away from the fill area into protected channels, and drainage ~~shall~~ will not be directed over the unprotected face of the fill. (3-18-22)()

f. The operator will conduct revegetation activities with respect to such waste piles in accordance with Subsection 140.11 of these rules. (3-18-22)

08. Settling Ponds; Minimum Criteria. (3-18-22)

a. Sediment Storage Volume. Settling ponds will provide adequate sediment storage capacity to achieve compliance with applicable water quality standards and protect existing beneficial uses, and may require periodic cleaning and proper disposal of sediment. (3-18-22)

b. Water Detention Time. Settling ponds ~~shall~~ will have an adequate theoretical detention time for

water inflow and runoff entering the pond, but theoretical detention time may be reduced by improvements in pond design, chemical treatment, or other methods. (3-18-22)()

c. Emergency Spillway. In addition to the sediment storage volume and water detention time, settling ponds must be designed to withstand and release storm flows as required by the Idaho Dam Safety Act, Section 42-1710 through 42-1721, Idaho Code, and Safety of Dams Rules, where applicable. (3-18-22)()

09. **Tailings—Facilities Ponds.** All tailings ponds, dams, or other types of tailings—~~facilities~~ infrastructure must be designed, constructed, operated, and decommissioned so that upon their abandonment, the dam and impoundment area will meet applicable surface and ground water quality standards and not otherwise constitute a hazard to human or animal life. (3-18-22)()

a. Design criteria, construction techniques, and decommission techniques for tailings dams and impoundments ~~shall~~ must comply with the Idaho Dam Safety Act, Sections 42-1710 through 42-1721, Idaho Code, and applicable rules and regulations. (3-18-22)()

b. Topsoil will be removed from the area to be affected by the impounding structure, tailings pond, or other tailings ~~facilities~~ infrastructure in accordance with Subsection 140.04 of these rules. (3-18-22)()

c. Abandonment and Decommissioning of Tailings Impoundments. (3-18-22)

i. Dewatering. Tailings ponds will be dewatered to the extent necessary to provide an adequate foundation for the approved post-mining use. (3-18-22)

ii. Control of surface waters. Surface waters ~~shall~~ will either be channeled around the reservoir and impoundment structure or through the reservoir and breached structure. Permanent civil structures must be designed and constructed to implement either method of channeling. The structure ~~shall~~ must provide for erosion-free passage of waters and adequate energy dissipation prior to entry into the natural drainage below the impounding structure. (3-18-22)()

iii. Detoxification. Hazardous chemical residues within the tailings pond must be detoxified or covered with an adequate thickness of non-toxic material, to the extent necessary to achieve water quality standards in waters of the state. (3-18-22)

iv. Reclamation. After implementing the required dewatering, detoxification, and surface drainage control measures, the reservoir and impounding structure will be covered with topsoil or other material conducive to plant growth, in accordance with Subsection 140.04 of these rules. Where such soils are limited in quantity or not available, and upon approval by the Department, physical or chemical methods for erosion control may be used. All such areas are to be revegetated in accordance with Subsection 140.11 of these rules, unless specified otherwise. (3-18-22)

d. When the operator requests termination of its reclamation or permanent closure plan, pursuant to Section 150 of these rules, impoundment structures and any reservoirs retained as fresh water reservoirs after final reclamation or permanent closure are required to conform with the Idaho Dam Safety Act, Sections 42-1710 through 42-1721, Idaho Code, if applicable. (3-18-22)

10. **Permanent Cessation and Time Limits for Planting.** (3-18-22)

a. Seeding and planting of affected lands or a permanently closed cyanidation facility should be conducted during the first normal period for favorable planting conditions after final seedbed preparation. (3-18-22)

b. Reclamation activities, where possible, are encouraged to be concurrent with the mining operation and may be included in the approved reclamation plan. Final reclamation must begin within one (1) year after the mining operations have permanently ceased on a mine panel. If the operator permanently ceases disposing of overburden on a waste area or permanently ceases removing minerals from a pit or permanently ceases using a road or other affected land, the reclamation activity on each given area must start within one (1) year of such cessation, despite the fact that all operations as to the mine panel, which included such pit, road, overburden pile, or other

affected land, has not permanently ceased.

(3-18-22)

c. An operator is presumed to have permanently ceased mining operations on a given portion of affected land when no substantial amount of mineral or overburden material has been removed or overburden placed on an overburden dump, or no significant use has been made of a road during the prior three (3) years. If an operator does not plan to use an affected area for three (3) or more years but intends thereafter to use the affected area for mining operations and desires to defer final reclamation until after its subsequent use, the operator must submit a notice of intent and request for deferral of reclamation to the ~~director~~ Department, in writing. If the ~~director~~ Department determines that the operator plans to continue the operation within a reasonable period of time, ~~the director shall~~ it will notify the operator and may require actions to be taken to reduce degradation of surface resources until operations resume. If the ~~director~~ Department determines that use of the affected land for mining operations will not be continued within a reasonable period of time, ~~the director~~ it may proceed as though the mining operation has been abandoned, but the operator will be notified of such decision at least thirty (30) days before taking any formal administrative action. (3-18-22)()

11. **Revegetation Activities.**

(3-18-22)

a. The operator ~~shall~~ must select and establish plant species that can be expected to result in vegetation comparable to that growing on the affected lands or on a closed cyanidation facility prior to mining or cyanidation facility operations, respectively. Certified weed free seed should be used in revegetation. The operator may use available technical data and results of field tests for selecting seeding practices and soil amendments which will result in viable revegetation. These practices of selection may be included in an approved reclamation plan or permanent closure. (3-18-22)()

b. Unless otherwise specified in the approved reclamation or permanent closure plan, the success of revegetation efforts is measured against the existing vegetation on site prior to the mining or cyanidation facility operation, or against an adjacent reference area supporting similar types of vegetation. (3-18-22)

i. The ground cover of living plants on the revegetated area should be comparable to the ground cover of living plants on the adjacent reference area for two (2) full growing seasons after cessation of soil amendment or irrigation. (3-18-22)

ii. For purposes of this rule, ground cover is considered comparable if it has, on the area actually planted at least seventy percent (70%) of the premining ground cover for the mined area or adjacent reference area; (3-18-22)

iii. For locations with an average annual precipitation of more than twenty-six (26) inches, the ~~director~~ Department, in approving a reclamation or permanent closure plan, may set a minimum standard for success of revegetation as follows: Vegetative cover of seventy percent (70%) for two (2) full growing seasons in areas planted to herbaceous species only; or fifty percent (50%) vegetative cover for two (2) full growing seasons and six hundred (600) woody plants per acre in areas planted to a mixture of herbaceous and woody species. (3-18-22)()

iv. As used in this section, “herbaceous species” means grasses, legumes, and other forbs; “woody plants” means woody shrubs, trees, and vines; and “ground cover” means the area of the ground surface covered by the combined aerial parts of vegetation and the litter that is produced naturally on-site, expressed as a percentage of the total area measured. Rock surface areas will be excluded from this calculation. (3-18-22)

v. For previously mined areas that were not reclaimed to the standards required by Section 140, and which are affected by the mining or cyanidation facility operations, vegetation should be established to the extent necessary to control erosion, but ~~shall~~ will not be less than that which existed before redisturbance; and (3-18-22)()

vi. Vegetative cover ~~shall~~ will not be less than that required to control erosion. (3-18-22)()

c. Introduced species may be planted if they are known to be comparable to previous vegetation, or if known to be of equal or superior use for the approved post-mining use of the affected land, or, if necessary, to achieve a quick, temporary cover for soil stabilization purposes. Species classified as poisonous or noxious weed species ~~shall~~

will not be used in revegetation.

(3-18-22)()

d. By mutual agreement of the ~~director~~ Department, the landowner, and the operator, a site may be converted to a different, more desirable or more economically suitable habitat. (3-18-22)()

e. Planting of grasses and forbs should be done in a manner which promotes rapid stabilization of the soil surface. Wherever terrain permits, grasses and forbs should be drilled or compacted into the ground using agricultural grass planting equipment or other seeders specifically designed for mine revegetation applications. Broadcast and hydroseeding may be used on areas where other methods are impractical or unavailable. (3-18-22)

f. The operator should plant shrubs or shrub seed, as required, where shrub communities existed prior to mining. Shrub seed may be planted as a portion of a grass seed mix or planted as bare-root transplants after grass seeding. Where the landowner desires a specific land use such as grazing or cropland, shrubs will not be required in the revegetation species mix. Shrub lands undergoing revegetation with shrubs will be protected from erosion by vegetation, chemical, or other acceptable means during establishment of the shrubs. (3-18-22)

g. Reforestation. Tree stocking of forestlands should meet the following criteria: (3-18-22)

i. Trees that are adapted to the site should be planted on the area to be revegetated in a density which can be expected over time to yield a timber stand comparable to premining timber stands; (3-18-22)

ii. Trees will be established for two (2) full growing seasons after cessation of any soil amendments and irrigation before they are considered to be established; and (3-18-22)

iii. Forestlands undergoing revegetation with trees should be protected from erosion by vegetation, chemical binders, or other acceptable means during seedling establishment. (3-18-22)

h. Revegetation is not required on the following areas: (3-18-22)

i. Affected lands, or portions thereof, where planting is not practicable or reasonable because the soil is composed of excessive amounts of sand, gravel, shale, stone, or other material to such an extent to prohibit plant growth; (3-18-22)

ii. Any mined area or overburden stockpiles proposed to be used in the mining operations for haulage roads, so long as those roads are not abandoned; (3-18-22)

iii. Any mined area or overburden stockpile, where lakes are formed by rainfall or drainage runoff from adjoining lands; (3-18-22)

iv. Any mineral stockpile; (3-18-22)

v. Any exploration trench which will become a part of a pit or an overburden disposal area; and (3-18-22)

vi. Any road which is to be used in mining operations, so long as the road is not abandoned. (3-18-22)

i. Mulching. Mulch should be used on severe sites and may be required by the reclamation or permanent closure plan where slopes are steeper than three to one (3:1) or the mean annual rainfall is less than twelve (12) inches. When used, straw or hay mulch should be obtained from certified weed free sources. "Mulch" means vegetation residues or other suitable materials to aid in the stabilization of soil and soil moisture conservation which will provide a micro-climate more suitable for germination and growth on severe sites. Annual grains such as rye, oats, and wheat may be used as a substitute for mulch where they will provide adequate protection and will be replaced by permanent species within a reasonable length of time. (3-18-22)

12. Petroleum-Based Products and Chemicals. All refuse, chemical and petroleum products and equipment should be stored and maintained in a designated location away from surface water and disposed of in such a manner as to prevent their entry into a waterway. (3-18-22)

141. -- 149. (RESERVED)

150. TERMINATION OF A PLAN.

01. Terminate upon Request of the Operator. A reclamation plan ~~shall~~ will terminate upon request of the operator, upon inspection by the ~~director~~ Department, and a determination that all reclamation activity has been completed to the standards specified in the plan, and following final approval by the ~~director~~ Department. Upon termination, the ~~director~~ Department will release the remaining financial assurance, notify the operator, and any authority to conduct any mining operations under the subject plan ~~shall~~ will terminate. (3-18-22)()

02. Terminate a Permanent Closure Plan. The ~~director shall~~ Department will terminate a permanent closure plan upon request of the operator, provided all the provisions and objectives of the permanent closure plan have been met, as determined by the ~~director~~ Department under Sections 111 and 112 of these rules. Upon a determination that permanent closure has been completed in accordance with the approved permanent closure plan and upon consultation with the DEQ that the operator's request to terminate a plan should be approved, the ~~director~~ Department will notify the operator that any authority to continue cyanidation operations ~~shall~~ will cease and ~~he it~~ will release the balance of the financial assurance in accordance with Subsection 120.20. (3-18-22)()

151. -- 154. (RESERVED)

155. FIVE (5) YEAR UPDATES AND PERIODIC INSPECTIONS.

01. Five (5) Year Updates. The Department may require operators to submit an update on their mining operation at least every five (5) years. The update will be on a Department form, and will be used to assist the Department in determining whether or not adjustments are needed for financial assurance or if a plan amendment is required due to a material change. Failure by an operator to complete the form and return it to the Department, or an operator providing false statements on the form, may result in the penalties in Section 47-1513(g), Idaho Code. A mine plan update provided to the federal government for mines subject to financial assurance requirements may be considered to meet the requirement. (3-18-22)()

a. Right of Inspections. Authorized representatives of the Department have the right to enter upon lands affected or proposed to be affected by exploration, mining operations, or cyanidation facilities to determine compliance with the reclamation or permanent closure plans, the Act, and these rules, and adequacy of the financial assurance. Inspections will be conducted at reasonable times in the presence of the operator or his authorized representative. The operator ~~shall~~ will make such a person available for the purpose of inspection. This rule does not prevent the Department from making an inspection of the site if the operator fails to make a representative available on request. (3-18-22)()

b. Frequency of Inspection. (3-18-22)

02. Mining operations with an approved reclamation plan will be inspected at least once every five (5) years periodically based on priority and resource availability to determine compliance with the approved plan and adequacy of the financial assurance. Timing of inspections is governed by Section 45-1508(c), Idaho Code. Inspections may need to be more frequent for mines permitted under Sections 070 and 071 of these rules due to the large size, rapid pace of mining, complexity of an operation, or high financial assurance. (3-18-22)()

a.02. Cyanidation facilities with an approved permanent closure plan will be inspected as often as is needed, but at least once a year. (3-18-22)

156. -- 159. (RESERVED)

160. ENFORCEMENT AND FAILURE TO COMPLY.

01. Financial Assurance Forfeiture. Upon request by the ~~director~~ Department, ~~the attorney general may institute~~ proceedings may be instituted to have the financial assurance for reclamation or permanent closure forfeited for violation of an order entered pursuant to Section 47-1513, Idaho Code, and these rules. (3-18-22)()

02. Civil Penalty. An operator with no financial assurance, or an operator who violates these rules by performing an act which is not included in an approved reclamation plan or an approved permanent closure plan that is not subsequently approved by the Department, will be subject to a civil penalty as authorized by Section 47-1513(c), Idaho Code. (3-18-22)

03. Injunctive Procedures. The ~~director~~ Department may seek injunctive relief and proceed with legal action, if necessary, to enjoin a mine operator or cyanidation facility operator who violates the provisions of the ~~chapter Act~~, these rules, or the terms of an existing approved reclamation or permanent closure plan. Any such action will follow the procedures established in Section 47-1513, Idaho Code. (3-18-22)()

04. Appeal of Final Order. An operator dissatisfied with a final order of the Board may, within sixty (60) days after receiving the order, file an appeal in accordance with Section 47-1514, Idaho Code. (3-18-22)

161. -- 169. (RESERVED)

170. COMPUTATION OF TIME.

Computation of time will be based on calendar days. In computing any period of time prescribed by the ~~chapter Act~~, the day on which the designated period of time begins is excluded. The last day of the period is included unless it is a Saturday, Sunday or legal holiday when the Department is not open for business. In such a case, the ~~time~~ period runs until the end of the next day which is not a Saturday, Sunday or legal holiday. Intermediate Saturdays, Sundays, or legal holidays are excluded from the computation when the period of prescribed time is seven (7) days or less. (3-18-22)()

171. -- 179. (RESERVED)

180. PUBLIC AND CONFIDENTIAL INFORMATION.

01. Information Subject to Disclosure. Information obtained by the Department pursuant to the ~~chapter Act~~ and these rules is subject to disclosure under Title 74, Chapter 1, Idaho Code ("Public Records Act"). (3-18-22)()

02. Use by Board. Any plans, documents, or materials submitted as confidential and held as such ~~shall~~ will not prohibit the Board, ~~the~~ Director, or Department from using the information in an administrative hearing or judicial proceeding initiated pursuant to Section 47-1514, Idaho Code. (3-18-22)()

03. Plans and BMPs. An operator will not unreasonably designate as confidential portions of reclamation or permanent closure plans which detail proposed BMPs to meet state surface and ground water quality standards. Confidential portions of reclamation or permanent closure plans may be shared with DEQ in its coordinating role under these rules, as reasonably necessary. (3-18-22)

181. -- 189. (RESERVED)

~~190. DEPOSIT OF FORFEITURES AND DAMAGES.~~

~~All fees, penalties, forfeitures, and civil damages collected pursuant to the chapter, will be deposited with the state treasurer in the following accounts as appropriate:~~ (3-18-22)

~~**01. Mine Reclamation Fund.** The mine reclamation fund to be used by the director for mined land reclamation purposes and to administer the reclamation provisions of the chapter and these rules.~~ (3-18-22)

~~**02. Cyanidation Facility Closure Fund.** The cyanidation facility closure fund to be used by the director to complete permanent closure activities and to administer the permanent closure provisions of the chapter and these rules.~~ (3-18-22)

~~191. -- 199. (RESERVED)~~

200. COMPLIANCE OF EXISTING RECLAMATION PLANS.

~~01. — Plans Approved Prior to 2019.~~ Reclamation plans approved prior to July 1, 2019, or reclamation plans that have permanently ceased operations prior to July 1, 2019, are not subject to the 2019 legislative amendments to the ~~chapter~~ Act regarding financial assurance and post-closure. New reclamation plans or plan amendments received after July 1, 2019, will be subject to the 2019 legislative amendments to the ~~chapter~~ Act. (3-18-22)()

~~02. — Plans Submitted in 2019.~~ Reclamation plan applications submitted prior to July 1, 2019, but not yet approved, have until July 1, 2020 to submit post-closure plans and financial assurances as described in the 2019 legislative amendments to the chapter. (3-18-22)

201. -- 999. (RESERVED)

DRAFT

IDAPA 20 – IDAHO DEPARTMENT OF LANDS

20.03.02 - RULES GOVERNING MINED LAND RECLAMATION

DOCKET NO. 20-0302-2401

NOTICE OF RULEMAKING - ADOPTION OF PENDING RULE

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2026 Idaho State Legislature and must be approved by concurrent resolution of the Legislature to go into effect, in accordance with Section 67-5224(2)(c), Idaho Code. Should the pending rule be approved, it will become final and effective on July 1 following the Second Regular Session of the Sixty-eighth Idaho Legislature, unless the concurrent resolution states a different effective date.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending rule. The action is authorized pursuant to Section(s) 58-1304 and 58-104(6), Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending rule and a statement of any change between the text of the proposed rule and the text of the pending rule with an explanation of the reasons for the change:

- Section 155 modifications:
 - Title; for word count reduction
 - Subsection 155.02; for word count reduction and clarity
 - Subsection 155.03; deleted section for word count reduction and statute congruence

The text of the pending rule has been amended in accordance with Section 67-5227, Idaho Code. Only those sections that have changes that differ from the proposed text are printed in this bulletin. The complete text of the proposed rule was published in the October 1, 2025, Idaho Administrative Bulletin, Vol. 25-10, pages 263 to 302.

FEE SUMMARY: Pursuant to Section 67-5224(2)(d), Idaho Code, a pending fee rule shall not become final and effective unless affirmatively approved by concurrent resolution of the Legislature. The following is a description of the fee or charge imposed or increased in this rulemaking:

No new fees will be imposed or increased in this rulemaking.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year:

This rule will have no fiscal impact on the state general fund.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending rule, contact Andy Mork at (208) 334-0247.

DATED this November 18, 2025.

Andy Mork, PG
Mineral Lands Program Manager
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STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Regular Agenda

Subject

Adoption of Pending Rule, IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho

Question Presented

Shall the Land Board adopt the pending rule for IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho?

Background

The Idaho Department of Lands (Department) regulates encroachments on navigable lakes pursuant to Title 58, Chapter 13, Idaho Code, and IDAPA 20.03.04.

Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter is scheduled for a comprehensive review in 2025. Negotiated rulemaking for these rules was approved by the State Board of Land Commissioners (Land Board) on February 20, 2024. The Department began negotiations in spring of 2024.

Discussion

The Department's outreach for negotiated rulemaking included the following:

- Posting Notices in the Idaho Administrative Bulletin, the Department's rulemaking webpage, and Townhall Idaho in 2024 and 2025.
- Sending postcards to all lessees, major real estate associations, and state agencies in 2024 and 2025.
- Sending emails to encroachment permittees, lessees, and state and local agencies.
- Hosting public meetings, each with a video-conferencing option.

In the 8 meetings held over 2024 and 2025, 38 non-Department members attended the meetings in person and 23 attended the meetings virtually.

With no proposed fee increases, the discussion in the meetings centered around the extent to which the Department may regulate encroachments. Department staff fielded many questions about regulatory authority, citing the Lake Protection Act, Title 58, Chapter 13 Idaho Code.

The Department received 42 distinct comments from 11 submissions, which were addressed in the negotiated rulemaking summary, included as Attachment 1.

The proposed rule was published in the September 2025 Administrative Bulletin (Attachment 2). A public hearing was held on September 11, 2025, to solicit public testimony. A total of 3 non-Department members attended the hearing. No attendees provided testimony. Four written comments were received during the proposed rule comment period. A summary of written comments is included as Attachment 3. Several edits to the rule were incorporated based on Department review and grammatical adjustments. Attachment 4 is the draft pending rule consisting of the proposed rule with changes highlighted in yellow.

The pending rule reduces the overall regulatory burden by reducing the total word count and the number of restrictive words. The pending rule includes the following changes:

- 13.48 percent reduction in word count, 27 percent reduced restrictive words. The rule has been reduced by a total of 3 pages.
- Included definitions for common encroachments including breakwater, seawall, water line, residential area, and marine motor fuel dispensing facility.
- Incorporated by reference International Fire Code adopted through IDAPA 18.08.01.

If approved by the Land Board, the Department will submit the Notice of Adoption of Pending Rule (Attachment 5) to the Office of the Administrative Rules Coordinator for the 2026 legislative session.

Recommendation

Adopt the pending rule with changes to the proposed rule text for IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho.

Board Action

Attachments

1. Negotiated Rulemaking Summary
2. Notice of Proposed Rulemaking
3. Proposed Rule Comments Summary
4. Pending Rule Text (changes to Proposed Rule)
5. Draft Notice of Rulemaking—Adoption of Pending Rule

Negotiated Rulemaking Summary
IDAPA 20.03.04 — Rules for the Regulation of Beds, Waters,
and Airspace over Navigable Lakes in the State of Idaho
Docket No. 20-0304-2401

Members of the public participated in the Department's negotiated rulemaking process by attending the meetings and submitting written comments. Key information considered by the Department included applicable statutes, information provided by the public, and the Department's legal counsel during the negotiation process. In addition, the Department solicited information from the Idaho State Fire Marshal and the Idaho Office of Administrative Rules.

Key documents from the rulemaking record, which includes rule drafts, written public comments and documents distributed during the negotiated rulemaking process, are available at <https://www.idl.idaho.gov/rulemaking/docket-20-0304-2401/>. The entire rulemaking record is available for review upon request to the Department. At the conclusion of the negotiated rulemaking process, the Department formatted the final rule draft for publication as a proposed rule in the Idaho Administrative Bulletin.

In developing the draft rule, the Department considered all comments received during the negotiated rulemaking process. Following are comments on the draft rule and the Department's response to those comments:

Commenter	Written Comments	Rule Section	Response
Brian Hirschi 5/8/2024	IDL should adopt rules specific to Bear Lake, since its fluctuating water levels distinguish it from the other large recreational lakes.	General Encroachment Standards 015.15	1. Lake-Specific encroachment permit terms are not within the scope of this rulemaking and are written as conditions of the permits. IDL will consider adding a condition specific to the needs of Bear Lake.
Brian Hirschi 5/8/2024	IDL should clarify that the one guaranteed moorage for littoral owners is not a limitation on moorages for commercial operations/marinas with lots of beachfront	Mooring Buoys 015.09	2. IDL adjusted the draft of the rule for mooring buoys, changing the rule from "one mooring buoy per littoral owner" to "one mooring buoy per single family owner". This will enable commercial and community operations to have more than one mooring buoy.

Commenter	Written Comments	Rule Section	Response
Brian Hirschi 5/8/2024	The rules should more expressly contemplate your jet ski moorage system and/or contain a "catch-all" set of standards that applies to things that don't fit neatly within the categories of encroachments in the rules.	Encroachment Standards 015	3. The definitions of "encroachments in aid of navigation" and "encroachments not in aid of navigation" found in I.C. 58-1302 help define navigational and non-navigational encroachments.
Brian Hirschi 5/8/2024	The rules should define the term "encroachment" and/or identify items and activities that do not qualify as encroachments.	Definitions 010	4. The definitions of "encroachments in aid of navigation" and "encroachments not in aid of navigation" found in I.C. 58-1302 help define navigational and non-navigational encroachments.
Dylan B. Lawrence 6/12/2024	This rule purports to incorporate the International Fire Code (IFC) by reference. In my experience, an agency incorporates other legal provisions by reference when it has legal jurisdiction to enforce them. I do not read Director Miller's April 17, 2024 Final Order to suggest IDL has jurisdiction to enforce the IFC, which is administered by the Department of Insurance and local fire authorities. Clearly, the IFC has been adopted with amendments by the State of Idaho, and it is enforceable law. However, I question the propriety of IDL's adoption of the IFC in administrative rules specifically promulgated under the Lake Protection Act (LPA).	Incorporation by Reference 003.04	5. IDL does not purport to enforce the International Fire Code (IFC), but encroachments must fall within the IFC guidelines as they are enforced by the Idaho State Fire Marshal.
Dylan B. Lawrence 6/12/2024	The terms "encroachment," "navigational," and "nonnavigational" are all key concepts under the LPA and the Encroachment Rules, yet they remain undefined. In my experience, it is very unusual for such important terms in a regulatory program to remain undefined. In my opinion, there is enough legislative guidance in the LPA to provide definitions in the Encroachment Rules. This would	Definitions 010	6. There is no current definition of "encroachment" in either 58-1302 or IDAPA 20.03.04. However, there are definitions of "encroachments in aid of navigation" and encroachments not in aid of navigation" in I.C. 58-1302(h) and 58-1302(i). These terms may be used interchangeably with "navigational" and "nonnavigational" encroachments.

Commenter	Written Comments	Rule Section	Response
	be particularly helpful for parties who are not represented by attorneys or consultants		
Dylan B. Lawrence 6/12/2024	I suggest inserting the phrase “subject to decisions by the Idaho Supreme Court” before “will generally be at right angles to the shoreline.” As I recall, the Idaho Supreme Court applies flexible standards to littoral lines that are highly specific to the particular lake and shoreline at issue. For unrepresented parties, it may be helpful to reference generally that it is important to consult Idaho Supreme Court opinions on this issue.	Definitions 010.26	7. IDL will consider this, but littoral right lines can also be determined through upland owner agreements, or local county officials. IDL will remove the sentence that states “Littoral right lines will generally be at right angles to the shoreline and are not an extension of upland property lines.”
Dylan B. Lawrence 6/12/2024	The new language is helpful for littoral owners on Bear Lake, but the language is still vague and subject to multiple interpretations. IDL should more specifically state whether this is a minimum or maximum of one moorage per littoral landowner. To the extent it is the latter, I question the legal basis for the limitation in the first place. If IDL prefers docks to moorage, it should say so expressly in the rules so that applicants are aware of the preference.	Encroachment Standards Rule 015.09	8. IDL adjusted the draft of the rule for mooring buoys, changing the rule from “one mooring buoy per littoral owner” to “one mooring buoy per single family owner”. This will enable commercial and community operations to have more than one mooring buoy. IDL considers docks and mooring buoys to be navigational aids.
Dylan B. Lawrence 6/12/2024	See general comment above. IDL has given itself authority to adopt lake specific rules. It should do so for Bear Lake.	General Encroachment Standards 015.15	9. Lake-Specific encroachment permit terms are written as conditions of the permits. IDL will consider adding condition(s) specific to the needs of Bear Lake.
Dylan B. Lawrence 6/12/2024	The language about what “will” be considered an encroachment should either be removed or revised to more specifically track the language of the LPA, which does not reference “dredged material” at all, and which only references “landfills” once. Otherwise, IDL is administratively revising the Legislature’s definition of encroachments.	Applications 020.01	10. IDL has removed the language regarding all fill material from this section and moved it to the encroachment standards section under 015.16.

Commenter	Written Comments	Rule Section	Response
Dylan B. Lawrence 6/12/2024	The standards in the LPA and its three sets of rules that govern when easements and leases are required are extremely vague. When legal standards are vague, courts will often decline to enforce them, because the legislature and agency have not provided the courts with enough guidance. I believe that is the case here. Given the lack of guidance provided by the Legislature regarding easements and leases, IDL should develop rules that are consistent with the traditional understanding of those terms. There is significant judicial case law defining leases and easements. IDL should use those as guidance in developing rules governing leases.	Leases and Easements Rule 055.01	11. IDL will consider this comment as we consider future revisions to IDAPA 20.03.09 –Easements on State-Owned Navigable Waterways and 20.03.17 – Rules Governing Leases on State-Owned Navigable Waterways.
Gary MacDonald 11/20/2024	ACCESS to the water: Generally speaking, unless the land itself is owned by a government agency, the public at large does not have access to the water unless granted by the land owner. It is not likely that a private citizen is going to promote or allow the general public to have access to the water. That privilege has historically been provided by the state via public access sites AND private enterprises like ours, resorts and marinas that cater to the public. For a fee a citizen or a visitor can rent space at a marina for their watercraft. With that fee they are free to enjoy the docks and property. It used to be that almost all marinas were truly open to the public. Even if you were not a slip renter, you would still be able to walk the docks, use the restrooms, or just be "on the water." increasingly you will find gates on the docks and the public is locked out. In Bayview, I believe that MacDonald's Resort is the only place that the public can freely visit. Resorts and marinas who welcome the public provide genuine public	General	12. IDL does not control public access to navigable waterways, but there are terms in leases that allow discounts to commercial marinas to provide public moorage at their marina. These discounts are set and approved by the authority of the Land Board. There is room to allow for more discounts if comments are brought before the Land Board.

Commenter	Written Comments	Rule Section	Response
	access including the right to fish, access to restrooms, or just a pleasant walk on the docks. The current Idaho rules do make an attempt to reward marinas that provide public access, BUT public access is absolutely not being enhanced, it is being eroded. We really need to reverse this trend because the population is increasing and the state and counties do not have sufficient resources to give the public access to "their" water. The days are approaching quickly where people will drive by on the roadways and remark, "took at that beautiful lake, too bad we can't get near it."		
Gary MacDonald 11/20/2024	Resort/Marina sales to Developers: There is tremendous pressure on resort/marina owners to sell to developers. The developer then carves up the property into parcels, advertises that the buyer can "own your private access to the lake," and with the sale the public loses another possible access to the waterfront. It is extremely easy to find examples of this public access erosion. In the past, it would be common to find multiple family resorts that offered public access to the water. There are lakes now where there are no resorts or marinas. All of the former resorts have been made into parcels and sold which effectively locks out residents and tourists. I believe that the state needs to actively work on programs that will keep family operations going so that the temptation to just "hang it up and take the money" is less of an option. When family run marinas are lost to the developers and their individual sales, they will NEVER return to a property that welcomes the public at large. The citizens of Idaho and tourists who bring vacation dollars to Idaho will be locked out. We can't let this happen.	General/ Commercial Marina	13. IDL does not have jurisdiction on operations above the Ordinary High Water Mark of a navigable lake. It would be at the discretion of local city and county officials to limit the development of waterfront properties.

Commenter	Written Comments	Rule Section	Response
Gary MacDonald 11/20/2024	Layers of "Red Tape" and let's have more!? - At the meeting in Sandpoint this spring one of the rule "proposals" was the idea of incorporating the "Universal Building Code" or something similar into the state permit process. I mentioned at the time that I felt the proposal was an unnecessary burden on the resort/marina owners. I still feel that way because I have not seen a need for another layer of bureaucratic oversight of a resort/marina operation. Additionally, the compliance process has REAL costs associated with the increased compliance level. One would ask, "so what." Well, the "so what" part means that those costs have to be passed on to the people using the facility. That results in higher prices. Every year when our family meets to set prices, we actually worry about individual people who may not be able to afford to stay here. We want to continue to include as many income levels as possible in our customer and visitor clientele. If additional layers of compliance requirements are added, the financial impact will be the possibility that someone will be excluded because of that additional cost.	General/ Incorporation by Reference	14. IDL has removed the incorporation of the International Building Code rules from the draft rule. IDL anticipates no additional costs of compliance with the current rule draft.
Gary MacDonald 11/20/2024	A subject mostly unique to Bayview: Bayview for my 73year lifetime and even previous to my birth, has been a land and water village. The floathouses/floathomes that make up a good deal of waterfront offer a unique community. Tourists visit Bayview to view and sometimes utilize that unusual community. The health of the floathouse/floathome community is reliant on people being able to continue to improve and maintain the integrity and the look of the buildings. I believe that within the leased area that comprises our marina, our customers should be given a good	General/ Pend Oreille Specific/ Float Homes	15. Float homes must meet minimum standards for plumbing and electrical work, and must comply with minimum standards for building according to regional building codes. IDL does not allow new float homes nor the conversion of existing buildings into float homes.

Commenter	Written Comments	Rule Section	Response
	degree of latitude when it comes to interior home modifications. I really don't see a need to overly complicate life by restricting my customers choosing to make improvements or modifications to their home's interior layout or uses. We want to promote those improvements to help the floathouse/floathome community remain vibrant so they will not ever constitute an eyesore. We want them to invite ownership and vitality! A. Having said that, we are <u>not</u> in favor of the proliferation of floathomes/floathouses. We are not in favor of making boat houses, which were originally built just to house boats, into floathouses/floathomes with their necessary plumbing and living facilities. We are comfortable having the 100 or so historical floathouses/floathomes as the unique community it is.		
Gary MacDonald 11/20/2024	Boat Sewage, Gray Water, Sanitation: Believe it or not, I think that the boat sewage pump out facilities at MacDonald's Resort are the ONLY working pump outs on the entire Southern end of Lake Pend Oreille. For years I thought that all marinas were required to have them, but I think I was wrong. Here are some of my comments regarding the current situation: A. We pump out sewage from a LOT of boats and we charge a small fee for that work. However, there are some boats, who very likely have heads/toilets that we NEVER see. I know they have the same bodily functions that I do, but we never see them at our pump out stations. I believe that they are illegally dumping their sewage overboard via macerator pumps exiting the boats via thru-hulls. Our recreational waters are being compromised by this practice.	General/Pump-Out/Sewage Disposal	16. Pump out of grey water and sewage is regulated under the Idaho Safe Boating Act, and rules administered by the Idaho Department of Environmental Quality. IDL does not regulate watercraft pump-out. Inspection of watercraft is regulated by the local marine deputies, or the U.S. Coast Guard.

Commenter	Written Comments	Rule Section	Response
	B. Some of the larger monohull boats, power and sail, and most houseboats have extensive gray water producing facilities including sinks, tubs, showers, and even clothes washers with dryers. It is a rare boat that has graywater retention facilities. Most of this gray water is going right into the take along with the suspended soils, organic matter, soap, shampoo, detergent, and various and sundry additives. Again, this practice, with the increase in human population and lake use, will compromise our recreational waters. The take can take some of this abuse, but the growing population will likely overtax the take's ability to remain unsullied. C. What should be done? I believe that in order to get a boat license any boat with head/toilet facilities should be inspected by an authorized technician. That inspection should confirm that the boat does have an adequate holding tank for sewage. If there is an overboard discharge option via y-valve or direct discharge that option should be sealed with a tamperproof tag so that it cannot be used. If on inspection by law enforcement the tag has been compromised there should be a weighty fine so that people are not tempted to cheat. In past years I have had conversations with the local health district and they have been interested but the problem has certainty not been at the top of their List. No progress on possible enforcement has been done to date. However, the increasing population might necessitate another look at the growing problem. Regarding gray water, that is a more complicated issue because having to retrofit boats for gray water retention would be a big problem. However, it is worth addressing so that over time boats may be required to be		

Commenter	Written Comments	Rule Section	Response
	equipped with gray water retention as an industry standard. It is a subject worth some time and investigation.		
Gary MacDonald 11/20/2024	Abandoned Boats on Idaho State Property: I didn't think I would live long enough to see the day when people would just abandon boats. Now it is turning into a real problem. There is a boat now stuck in the mud in Buttonhook Bay because the owner left it there and when the lake went down it got stuck. That particular boat has been there all season. He is not paying for any dockage or space use to the state. It is an eyesore and has been taking up space that people who actually buy a boat license could use. The sheriff's office has been contacted as well as the Parks and Recreation people. Everyone wants to do something, but no one seems to have any authority. I think we need some legislation giving the state the right to lien the owner's property so there is a way to get the boat out of the water, sold, sent to the landfill, or other possibilities. At this point in time, it seems like the authorities do not have a clear path to removal.	General/Illegal Dumping and Waste	17. Illegal dumping of vessels is a problem that is managed by several entities. The marine sheriff deputies have the authority to cite individuals that dumps vessels or docks. Ultimately, the upland land owner is responsible for any unpermitted encroachments within their littoral right lines. Unpermitted encroachments are a violation of I.C. 58-1301, 58-1303, and are subject to penalties outlined in I.C. 58-1308 and 58-1310.
Coeur d'Alene Tribe 4/30/2025	There is significant inconsistency regarding the scope and applicability of the proposed rules, which must be remedied. The Heading and Sections 20.03 .04.012.02., .015.16.a., .015.16.a.(misnumbered in draft rule), .020.01., and .055.02., all state the rules apply to "navigable waterways." Yet the Scope (20.03.04.001) and numerous other Sections, confine the regulations to navigable lakes. The Lake Protection Act, Title 58, Chapter 13, Idaho Code applies specifically to navigable lakes, not navigable waterways. If IDL intends to extend these rules to all navigable waterways under its authority in I.C. § 58-104(9),	Scope 001	18. Navigable lakes are defined in Title 58, Chapter 13 Idaho Code. This definition does not limit the authority of federally-recognized entities. The title of the rule is now "Rules for Encroachments on Navigable Lakes". The other references to "waterways" have been changed to "lakes".

Commenter	Written Comments	Rule Section	Response
	then it should clearly state so and remove all inconsistencies.		
Coeur d'Alene Tribe 4/30/2025	Section 20.03.04.001. Scope reads: "These rules govern encroachments on, in, or above navigable lakes in the state of Idaho." However, there are navigable lakes in Idaho under the exclusive jurisdiction of the Coeur d'Alene Tribe and the Federal Government. Please revise the Scope to read: "These rules govern encroachments on, in, or above navigable lakes in the state of Idaho, except where those lakes are in the exclusive jurisdiction of a Federally recognized Indian tribe or the Federal Government."	Scope 001	19. See previous comment.
Coeur d'Alene Tribe 4/30/2025	1. As a general rule, key terms in regulations should be defined for clarity and simplicity purposes. Defining key terms in administrative rules is particularly important when the statutory definitions referenced by the rules are non-exclusive. a. The statutory definition of Encroachments in Aid of Navigation "means and includes docks, piers, floats, pilings, breakwaters, boat ramps, channels or basins, and other such aids to the navigability of the lake, on, in or above the beds or waters of a navigable lake." I. C. § 58-1302(h). This key term must be defined in the rules because the insertion of the terms "includes" and "other such aids" renders the statutory list of encroachments non-exclusive-without a definition there is no clarity on what "other such aids" are considered encroachments in aid of navigation. b. The statutory definition of Encroachments Not in Aid of Navigation "means and includes all other encroachments on, in or above the beds or waters of a navigable lake, including landfills or other structures not constructed primarily for use in aid	Definitions 010	20. a. IDL has determined that the definition of "encroachments in aid of navigation" defined in I.C. 58-1302 is sufficient to cover encroachments that are known navigational aids, and leaves sufficient room for any future or unique aids to navigation that would fall under that definition. b. See answer to a. above. c. Under the Executive Order 2020-02, Zero Based Regulation, that Idaho's citizens must review both Idaho statutes and rules in order to be law-abiding. Under the Rule Writers Manual published by the Idaho Office of Administrative Rules, "The purpose of a rule is to balance the statutory mandates and legislative intent of the law with any constitutional or federal mandates, executive orders of the Governor, and the agency mission." IDL has chosen not to adopt this suggested change.

Commenter	Written Comments	Rule Section	Response
	of the navigability of the lake." I.C. § 58-1302(i). This key term must be defined in the rules because the insertion of the terms "includes" and "all other encroachments ... not constructed primarily for use in aid of the navigability of the lake," renders the statutory list of encroachments non-exclusive-without a definition there is no clarity on what "all other encroachments" are considered encroachments not in aid of navigation. c. Beds of Navigable Lakes is a term of art that is defined differently in Title 58, Chapter 13, Idaho Code than in other statutes, federal law, tribal law, and case law. Because I.C. § 58-1302(b) defines beds of navigable lakes "for purposes of this act only," as the land (1) below the natural or ordinary high-water mark, and (2) between the natural or ordinary high-water mark and artificial high-water mark, the rules should state this departure from regular parlance for clarity purposes. If IDL does not define "beds of navigable lakes," then it should, at the very least, define the terms "ordinary and normal high-water mark" and "artificial high-water mark," and state that the rules are applicable to the land between the different high-water marks. It is unreasonable to assume regulated parties, unrepresented by legal counsel, will delve into both administrative rules and statutes to determine whether their actions fall within the scope of statutes or regulatory rules.		
Coeur d'Alene Tribe 4/30/2025	If IDL chooses not to define key terms in its rules, then at the bare minimum, it must state in each definition when a structure is a navigational or nonnavigational encroachment for clarity purposes. It is particularly troubling that the draft rules use terms such as "structure" or "mechanism" in place	Definitions 010	21. IDL has chosen to adopt the suggested changes for adding "navigational" or "nonnavigational" to encroachment definitions, as well as using the more standardized word of "encroachment" in said definitions.

Commenter	Written Comments	Rule Section	Response
	of "encroachment;" without using the statutorily correct key term, a regulated party cannot know whether the rules apply to them. Absent definitions of key terms, the following definitions should be revised to denote what rules apply to each encroachment: a. 010.03.: Boat Garage. "A nonnavigational encroachment with one (1) or more slips that is completely enclosed with walls, roof, and doors." b. 010.04.: Boat Lift. "A navigational encroachment mechanism for mooring boats partially or entirely out of the water." c. 010.05: Boat Ramp: "A navigational encroachment consisting of a structure or improved surface extending below the ordinary or artificial high water mark whereby watercraft or equipment are launched from land-based vehicles or trailers." d. 010.06.: Breakwater: "A navigational encroachment that is designed to protect moorage by reducing wave energy." e. 010.09.: Community Dock. "A navigational encroachment that provides private moorage for three (3) or more adjacent littoral owners, or other littoral owners possessing a littoral common area with littoral rights including, but not limited to homeowner's associations. No public access is required for a community dock." f. 01 0.14.: Float Home. "A nonnavigational encroachment that is designed and built to be used, or is modified to be used, as a stationary residential dwelling and is not self-propelled." g. 010.16.: Jet Ski Ramp, Port, or Lift. "A navigational encroachment mechanism for mooring jet skis or other personal watercraft similar to a boat lift."		

Commenter	Written Comments	Rule Section	Response
	h. 010.24.: Piling. "A navigational encroachment made of commercially available materials intended to be used for such purpose, that is driven into the lakebed and used to secure other encroachments." i. 010.27.: Pylon. "A nonnavigational encroachment made of commercially available materials intended to be used for such purpose, that is placed into the lakebed and used to support other encroachments."		
Coeur d'Alene Tribe 4/30/2025	The definition of Public Trust Doctrine should be revised to reflect the accurate definition, consistent with I.C. § 58-1202(5) and the common law referenced therein. The definition should read: "The common law doctrine holds, the State owns in trust the beds and banks of navigable waters-not otherwise held in trust by the United States for the benefit of a Federally recognized Indian tribe-for the use and benefit of the public, including the uses of navigation, commerce, 'fish and wildlife habitation, recreation, aesthetic beauty, and water quality.'" Newton v. MJK/BJK, LLC, 469 P.3d 23, 29 (Idaho 2020); see also Byrd v. Idaho State Bd. of Land Comm 'r, 505 P.3d 708, 714 (Idaho 2022).	General/Legal Authority	22. Definitions found in I.C. Title 52 chapter 12 are outside the scope of this rulemaking process.
Coeur d'Alene Tribe 4/30/2025	Section 20.03.04.015.15. Marine Motor Fuel Dispensing Facilities: Fuel dispensing facilities on, in, or above the waters or beds of navigable lakes present significant environmental and water quality concerns. This section is insufficiently vague; without further regulation there is considerable likelihood that these facilities will irreparably harm Tribal Waters, State waters, and waters of the United States. Water quality standards relating to hazardous spills and petroleum releases should be incorporated by reference; additionally, safety standards for liquified petroleum gas dealers and	Encroachment Standards 20.03.04.015.15	23. The permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.

Commenter	Written Comments	Rule Section	Response
	gas storage facilities should be incorporated by reference. a. A new subsection .015.15.c. should be added to read: "All Marine Motor Fuel Dispensing Facilities permitted under this section must adhere to the standards set forth in IDAPA 58.01.02. 'Department of Environmental Quality-Water Quality Standards,' Subsections: 800. 'Hazardous and Deleterious Material Storage'; 850. 'Hazardous Material Spills'; 851. 'Petroleum Release Reporting, Investigation, and Confirmation'; and 852. 'Petroleum Release Response and Corrective Action' as incorporated by reference in Section 003.05. of these rules. Further, such Facilities must adhere to the standards set forth in IDAPA 24.22.01 'Division of Occupational and Professional Licenses-Rules for the Idaho Liquified Petroleum Gas Safety Board,' as incorporated by reference in Section 003.06." b. IDL should also incorporate by reference the above regulations at subsection 003.05. and 003.06., respectively.		
Coeur d'Alene Tribe 4/30/2025	Section 20.03.04.015.16. Fill Material: a. Fill material has significant deleterious effects on water quality and aquatic habitat. IDL should not allow "refuse or waste matter," to be used as fill material. Any fill material should be naturally occurring and environmentally sound to protect water quality. b. There should be no ambiguity about what rules apply to this kind of encroachment. The section states fill material is an encroachment requiring "written approval by the Department." The term "written approval" is not synonymous with "encroachment permit," and must be changed to	Encroachment Standards 20.03.04.015.16	24. a. IDL will adopt this suggested change in the new draft of the rule. b. IDL will adopt this suggested change in the new draft of the rule. c. IDL has referenced in the rule under 20.03.04.020.03 that a person seeking to make an encroachment must also obtain any additional approvals lawfully required by federal, local or other state agencies. IDL has chosen not to adopt this suggested change. d. 58-1301 establishes the sideboards that IDL considers when reviewing applications.

Commenter	Written Comments	Rule Section	Response
	accurately reflect that an encroachment permit is required, consistent with I.C. § 58-1306. c. The State is not solely responsible for regulating discharge of dredge or fill material into navigable lakes-the rule should reflect that other agencies share regulatory authority to put a regulated party on notice that they must acquire all necessary permits prior to discharging fill material into navigable lakes. d. The section should be revised to say: "The placing of dredged or fill material, on or in the beds of waters of any navigable lake is an encroachment and requires a nonnavigational encroachment permit from the Department, in addition to any other requisite permits from state, local, or federal agencies with jurisdiction. Any such fill material shall be naturally occurring and environmentally sound, no encroachment permit shall be issued if fill material will negatively affect water quality or aquatic habitat."		
Dave and Helen Blyton 6/8/2025	There is one section in Draft 2 regarding the Marine Motor Fuel Dispensing Facilities that we would like to see changed. The current language is very restrictive and will be virtually impossible to comply with, or for the State to enforce. On Lake Pend Oreille, it would require boaters to go approximately 10 miles to get fuel. Since many of the boaters use their boats year round on the lake to get to their cabins, or to fish, this trip could be present unnecessary challenges trying to get to the limited fuel dispensing facilities on the lake. Many other lakes in Idaho are similar with year round boaters and limited fuel dispensing facilities. We propose changing the language from requiring a marine motor fuel dispensing facility to requiring	Encroachment Standards 20.03.04.015.15	25. Portable gas cans are not fixed equipment. The public may refill their watercraft in a manner that complies with all local rules and codes. Marine motor fuel dispensing facilities are regulated under the International Fire Code and require an encroachment permit from IDL when located below the Ordinary High Water Mark.

Commenter	Written Comments	Rule Section	Response
	a fuel dispensing hose that has an automatic shut off nozzle and drip elimination device. These hoses and drip elimination options are available for purchase for \$40.00 - \$75.00 and can be used with portable gas cans. This keeps the can on the dock and the hose with a shut off nozzle at the boat or wave runner. This would be very similar to how it is dispensed at a fuel dispensing facility. This approach may still be difficult to enforce, but we believe its simplicity and common sense will get support from boaters so the end result will be less fuel getting into the water. Required signage at public boat ramps and moorage facilities could ensure all boaters are aware of the new fuel regulation. This would not only educate the boaters but help other boaters, property owners, marinas, and moorage associations say something to those who are not following the rules.		
Dylan Lawrence 6/9/2025	Newly proposed Encroachment Rule 003.04 incorporates IDAPA 18.08.01 by reference. Typically, "incorporation by reference" means that the incorporating agency has the legal authority to enforce the external regulations that are being incorporated. A good example of this is that because Idaho DEQ has authority over regulatory programs delegated by EPA, DEQ often incorporates EPA regulations by reference. I do not believe a similar legal relationship exists between the Department of Lands and the Department of Insurance ("DOI"), and incorporating DOI's legal authorities by reference may exceed IDL's statutory authorities. Instead of incorporating those regulations by reference (and perhaps the other regulations referenced in Encroachment Rule 003),	Incorporation by Reference 003.04	26. I.C. § 67-5229(1)(d) gives IDL the authority to incorporate IDAPA 18.08.01 by reference.

Commenter	Written Comments	Rule Section	Response
	I suggest revising the initial language of that rule to read, “The following sets of regulations may also apply to activities regulated by these rules and should be consulted.”		
Dylan Lawrence 6/9/2025	Newly proposed Encroachment Rule 015.15(a) currently reads, “Wharves, piers, or docks at marine motor fuel dispensing facilities must be used exclusively for the dispensing or transfer of petroleum products to or from marine craft.” This language appears to be taken verbatim from the International Fire Code (2018) (“IFC”). However, it is an incomplete reference. Section 2310.3.1 of the IFC provides: Wharves, piers or floats at marine motor fuel-dispensing facilities shall be used exclusively for the dispensing or transfer of petroleum products to or from marine craft, except that transfer of essential ship stores is allowed. (Emphasis added). The need to load and unload essential items from wharves and piers is universal. As an initial matter, I question the wisdom of quoting other regulatory programs, rather than simply referencing them to put the public on notice of their existence. For one thing, if the IFC is amended, then the Encroachment Rules could become outdated and inconsistent with the amended IFC. The same concern applies to the adoption of a new definition of “marine motor fuel-dispensing facility” in newly proposed Rule 010.20. While that appears mostly consistent with the definition of that phrase in IFC Section 202, that may not always be the case in the future. Given the reference to the state	Encroachment Standards 015.15	27. IDL has chosen to remove the drafted language in Section 015.15.a, and amend it to read “Any portion of a marine motor fuel dispensing facility located below the O/AHWM requires an encroachment permit.”

Commenter	Written Comments	Rule Section	Response
	regulations adopting the IFC in newly proposed Rule 003.04 as previously discussed, I question whether it is necessary to quote Section 2310.3.1 at all. However, if IDL keeps the reference, it should restore the italicized language above and monitor amendments to the IFC to ensure consistency.		
Dylan Lawrence 6/9/2025	Newly proposed Rule 015.16(a) makes the affirmative statement that the following items are encroachments: (1) dredged material; (2) fill material; (3) refuse; and (4) waste matter intended as or becoming fill material. The Encroachment Rules are adopted pursuant to the statutes in the Lake Protection Act, Title 58, Chapter 13 of the Idaho Code (the "LPA"). The term "dredged" appears nowhere in the LPA, and the phrase "fill material" also appears nowhere in the LPA, though there is a reference to "landfills" being considered non-navigational encroachments in Idaho Code Section 58-1302(i). To ensure consistency with IDL's authorities under the LPA, this Rule should read, "The placing of landfills on or in the beds or waters of any navigable waterway is an encroachment and requires written approval by the Department."	Encroachment Standards 015.16	28. Dredging and fill below the Ordinary High Water Mark are considered encroachments. The permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.
Dylan Lawrence 6/9/2025	IDL is suggesting mostly minor revisions to newly renumbered Encroachment Rule 016, regarding lake-specific permit terms. In the past, IDL has described an intent to coordinate a public planning process for Bear Lake, but it has not followed through. While this comment may be outside the scope of a zero-based regulation rulemaking effort, given Bear Lake's uniqueness, IDL should consider resuming that effort, which could also involve	Encroachment Standards 015.17	29. Lake-Specific encroachment permit terms are written as a condition(s) of the permits. IDL will consider adding a condition specific to the needs of Bear Lake.

Commenter	Written Comments	Rule Section	Response
	development of standard permit conditions specific to Bear Lake.		
Idaho Conservation League 6/13/2025	20.03.04 Title – RULES FOR ENCROACHMENTS ON NAVIGABLE WATERWAYS The word ‘waterways’ must be reverted back to ‘lakes,’ as it was in the previous version of this rule. The Lakes Protection Act 2 specifically defines ‘navigable lake’ as <i>‘any permanent body of relatively still or slack water, including man-made reservoirs, not privately owned and not a mere marsh or stream eddy, and capable of accommodating boats or canoes.’</i> The extent of the IDL’s authority is limited to this definition of lakes, and must not be presumptively extended to rivers and other water bodies.	20.03.04 Title	30. IDL has elected to adopt this change. The title of the rule is now “Rules for Encroachments on Navigable Lakes”.
Idaho Conservation League 6/13/2025	20.03.04.010.07 Commercial Marina - Definition. The proposed definition for a Commercial Marina is unclear. It states: “A commercial navigational encroachment whose primary purpose is to provide moorage for rental or for free to at least 50% of the general public.” The definition for Commercial Marinas should state: “A commercial navigational encroachment primarily intended to provide moorage must make at least 50% of its moorage available for use by the general public. Access to this public moorage must not be contingent upon membership in a homeowners’ association, club, or any other private entity.”	Definitions 010.07	31. The standards for commercial marinas can be found in section 015.03.
Idaho Conservation League 6/13/2025	20.03.04.010.09 Community Dock - Definition. This definition should be limited to one ‘structure’, and the word ‘structures’ must not be added. The term ‘Community Dock,’ which is being defined, is a singular term, not plural. Each Community Dock	Definitions 010.09	32. The word “structure” has been removed from this definition and replaced with “encroachment”. Applicants that meet the definition of a community dock may apply for

Commenter	Written Comments	Rule Section	Response
	must be permitted independently just as each single family dock is permitted independently. While lack of clarity regarding the singular nature of a Community Dock in the previous version of this rule may have been considered a 'loophole,' IDL is now attempting to explicitly allow such divisions. It is unacceptable to do so, as it effectively removes size limitations for Single-Family Docks and Two-Family Docks. The size limit for a Single-Family Dock is 700 square feet and the size limit for a Two-Family Dock is 1100 square feet. Each Community Dock is limited in size by the littoral footage owned by three or more adjacent owners, or other littoral owners possessing a littoral common area with littoral rights including, but not limited to homeowner's associations. The permissible square footage for a community dock is determined by the total littoral footage times a factor of seven, so is virtually unlimited and only based on the amount of littoral ownership by the applicant. Littoral owners have in certain cases been allowed to divide their total permissible community dock square footage into multiple individual structures, effectively undermining the size limits for Single-Family Docks and Two-Family Docks. For example, the Camp Bay Community Association, Inc's Encroachment Permit Application No. L-96-S-2687 was approved, allowing a community dock 'system' composed of 13 docks without the size limitations required for Single-Family and Two-Family Docks. The current loophole and proposed lack of appropriate regulation undermine the legislative intent of the Lakes Protection Act to protect fish and wildlife habitat, aquatic life and water quality. Large docks and extensive dock systems cause a		community docks allowable under Title 58, Section 1306 Idaho Code.

Commenter	Written Comments	Rule Section	Response
	loss of littoral zone habitat for fish, amphibians, insects, and other aquatic life. They can also change wave patterns and water circulation, leading to erosion or sediment accumulation. As such, fish spawning areas may be smothered and water clarity reduced.		
Idaho Conservation League 6/13/2025	20.03.04.012.01 Policy - Public Trust Resources Protection It should be clearly stated that the State Board of Land Commissioners is not the only entity responsible for managing lake beds in Idaho. Under Section 10 of the Rivers and Harbors Act of 1899 3 and Section 404 of the Clean Water Act 4 , the U.S. Army Corps of Engineers also has regulatory authority over lake beds of "Waters of the United States," including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.	Policy 012.01	33. Jurisdiction over navigable lakes is defined in Title 58, Chapter 13 Idaho Code. IDAPA 20.03.04.020.03 states "A person seeking to make an encroachment must also obtain any additional approvals lawfully required by federal, local or other state agencies.". Section 070.04 also states "The permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources."
Idaho Conservation League 6/13/2025	20.03.04.015.08 Encroachment Standard - Riprap Natural materials other than rock should be encouraged. Environmentally friendly solutions such as Coir Logs (coconut fiber rolls), logs and vegetative buffers can diminish wave action rather than exacerbate it as rock riprap does. Natural shoreline stabilization can absorb or diminish wave action, improve fish habitat and filter polluted runoff.	Encroachment Standards 015.08	34. IDL has revised the first sentence of Section 015.08 to say "Riprap used to stabilize shorelines will consist of rock or other materials that is appropriately sized to resist movement from anticipated wave heights or tractive forces of the water flow."

Commenter	Written Comments	Rule Section	Response
Idaho Conservation League 6/13/2025	20.03.04.015.11 Encroachment Standard - Excavating or Dredging The Idaho Lake Protection Act 5 makes no reference to excavating or dredging, and IDL does not have authority to regulate these activities. It should be clearly stated that the U.S. Army Corps of Engineers and various Tribes have regulatory authority over dredging and excavation of lake beds. Section 404 of the Clean Water Act 6 establishes that the U.S. Army Corps of Engineers has regulatory authority over “Waters of the United States,” including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho 7</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.	Encroachment Standards 015.11	35. Dredging is considered an encroachment. The permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.
Idaho Conservation League 6/13/2025	20.03.04.015.13.h General Encroachment Standards (connected with upland sewer or septic systems) Permits for facilities and infrastructure designed to hold or transfer sewage need to be coordinated with the Idaho Department of Environmental Quality (DEQ) or the relevant Public Health District, depending on the type of system they connect to. The DEQ derives its authority to regulate upland sewage disposal through the Individual/Subsurface Sewage Disposal Rules 8 , and Section 402 of the Clean Water Act. 9 The DEQ administers the Individual/Subsurface Sewage Disposal Rules in collaboration with Idaho's seven	Encroachment Standards 015.13	36. Sewer and septic systems must adhere to IDAPA 24.39.20, “Rules Governing Plumbing”, incorporated by reference in these rules. Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.

Commenter	Written Comments	Rule Section	Response
	public health districts under a memorandum of understanding. While DEQ sets the standards and provides oversight, the public health districts are responsible for permitting and inspecting septic systems. Individuals or entities seeking to connect to community sewer or septic systems in Idaho must consult with the local public health district to ensure compliance with all applicable regulations and to obtain the necessary permits. This needs to be stated in IDL's rules in order to provide clarity to the applicant.		
Idaho Conservation League 6/13/2025	20.03.04.015.15 Marine Motor Fuel Dispensing Facilities Thank you for addressing this important issue. For clarity, consider changing the suggested language, "Wharves, piers, or docks at marine motor fuel dispensing facilities must be used exclusively for the dispensing or transfer of petroleum products to or from marine craft." to "Dispensing or transfer of petroleum products to or from marine craft must happen exclusively at marine motor fuel dispensing facilities."	Encroachment Standards 015.15	37. IDL has chosen to revise Section 015.15.a to read "Any portion of a marine motor fuel dispensing facility located below the O/AHWM requires an encroachment permit." Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.
Idaho Conservation League 6/13/2025	20.03.04.015.16 Fill Material The Idaho Lake Protection Act 10 makes no reference to 'fill material,' and IDL does not have authority to regulate this activity. It should be clearly stated that the U.S. Army Corps of Engineers and various Tribes have regulatory authority over fill material being placed in lake beds. Section 404 of the Clean Water Act 11 establishes that the U.S. Army Corps of Engineers has regulatory authority over "Waters of the United States," including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established	Encroachment Standards 015.16	38. Fill is considered an encroachment on navigable lakes. IDL works with the U.S. Army Corps of Engineers to address and/or permit fill below the Ordinary High Water Mark. Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.

Commenter	Written Comments	Rule Section	Response
	through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho 12</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.		
Idaho Conservation League 6/13/2025	20.03.04.020.06 Applications - Dredging The Idaho Lake Protection Act 13 makes no reference to dredging, and IDL does not have authority to regulate this activity. It should be clearly stated that the U.S. Army Corps of Engineers and various Tribes have regulatory authority over dredging lake beds. Section 404 of the Clean Water Act 14 authorizes the U.S. Army Corps of Engineers as the regulatory authority over “Waters of the United States,” including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho 15</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.	Applications 020.06	39. Dredging is considered an activity that may require an encroachment permit under IDAPA 20.03.04. IDL works with the U.S. Army Corps of Engineers to address and/or permit dredging below the Ordinary High Water Mark. Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.
Idaho Conservation League 6/13/2025	20.03.04.080 Violations - Penalties Fines should be assessed for encroachments that are built without permits, when applications for permits are submitted after the fact or not submitted at all. According to the Lake Protection Act 16, a civil penalty ranging from \$150 to \$2,500 for each violation may be assessed. If the violation causes harm to water quality, fisheries, or other public	Violations/ Penalties 080	40. Imposing additional fees and penalties lies outside of the scope of Executive Order 2020-02, Zero Based Regulation. Cost recovery for noncompliance is regulated under the Lake Protection Act.

Commenter	Written Comments	Rule Section	Response
	trust values, the penalty may increase to up to \$10,000 per violation or \$1,000 for each day of a continuing violation, whichever is greater. It is very common to see permit applications after the fact, but very uncommon for IDL to assess fines. This effectively undermines IDL's authority to regulate encroachments, and even incentivizes unpermitted activity. Assessing fines in these situations would encourage compliance and also increase funding for IDL.		
Zack Spencer 6/13/2025	The part of the bill that concerns refilling only at marinas is not practical or almost all boat owners in medium to large size lakes. By the time that someone has driven there boat to and from a marina they will have used up the same amount or more gas then they started with. And as a person who works at a marina on lake pend Oreille it would just cause even more of a headache for us because of the people would take there boats out for 5 minutes to refill with a gas can, then take another 10 minutes trying to put there boat back into the water, thus making our job harder. Also the gas prices for the floating pumps is stupidly expensive so no one with any sense will use them.	Encroachment Standards 015.15	41. IDL has chosen to remove the drafted language in Section 015.15.a, and amend it to read "Any portion of a marine motor fuel dispensing facility located below the O/AHWM requires an encroachment permit."
Ian and Kristen Burge 6/13/2025	The proposed requirements under section "Marine Motor Fuel Dispensing Facilities" creates many concerns for users on larger lakes in the state of Idaho, such as Lake Pend Oreille, Priest Lake and Lake Coeur d'Alene. Refueling locations can be many miles from marinas and private docks on the lakes. For example a boat that is kept at Garfield Bay on Lake Pend Oreille, would need to travel more than 20 miles round trip on water to obtain fuel or the owner would need to trailer their boat and travel about 20 miles round trip to refuel a		42. IDL has chosen to remove the drafted language in Section 015.15.a, and amend it to read "Any portion of a marine motor fuel dispensing facility located below the O/AHWM requires an encroachment permit."

Commenter	Written Comments	Rule Section	Response
	boat at the closest land gas station in Sagle. Many of the boats kept at docks/marinas on the lake are challenging to transport for fuel, such as a sail boat. Higher Costs: Marina fuel is often more expensive than regular gas station fuel. Restricting fueling options could force boaters to pay these higher prices. Economic Impact on Boating: Restricting options could potentially hurt the recreational boating industry by making it more expensive and less convenient for boaters. I understand the desire to restrict refueling boats on the water, not at an approved marina gas facility. Perhaps instead of the draft language provided there can be restriction that marina gas stations must be used if located within 1-2 miles of where your boat is normally kept. Or put rules in place about the types of gas cans or transfer methods that can be used.		

In-Person Comments	Rule Section	Response
The following comment is a summation of a discussion that took place during the Sandpoint Public Meeting on April 15, 2025. The section that sets standards for Marine Motor Fuel Dispensing Facilities is considered too restrictive and limits individual needs to refuel a boat in an area with little access to a marine service station.	20.03.04.015.15	1. IDL has chosen to remove the drafted language in Section 015.15.a, and amend it to read "Any portion of a marine motor fuel dispensing facility located below the O/AHWM requires an encroachment permit."

In-Person Comments	Rule Section	Response
The following comment is a summation of a discussion that took place during the Sandpoint Public Meeting on April 15, 2025. The section under application requirements that suggests that applications for all encroachments that are enclosed structures require engineered plans stamped by a licensed engineer in the state of Idaho is overly restrictive and places an undue cost burden on applicants to get a stamped engineered drawing.	20.03.04.020.07.a.vi ii.	2. IDL has chosen to revise the language in Section 020.07.a.viii to read “Plans submitted for enclosed encroachments must accurately depict all interior and exterior features. Public, commercial, and residential encroachments may require engineered plans approved by a licensed professional engineer in the state of Idaho.”

IDAPA 20 – IDAHO DEPARTMENT OF LANDS

20.03.04 – RULES FOR THE REGULATION OF BEDS, WATERS, AND AIRSPACE OVER NAVIGABLE LAKES IN THE STATE OF IDAHO

DOCKET NO. 20-0304-2401 (ZBR CHAPTER REWRITE)

NOTICE OF RULEMAKING – PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 58-1304 and 58-104(6), Idaho Code.

PUBLIC HEARING SCHEDULE: A public hearing concerning this rulemaking will be held as follows:

Thursday, September 11, 2025 10:00 a.m. (MT)
Idaho Department of Lands Boise Bureau Office, Garnet Conference Room 300 N. 6th St., Suite 103 Boise, ID 83720 To join via Microsoft Teams: Link Meeting ID: 247 072 447 001 4 Passcode: fb7ei7xd To attend by telephone call: +1 (469) 998-7393 Conference ID: 533 914 872#

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

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Following [Executive Order 2020-01: Zero-Based Regulation](#), this rule chapter is scheduled to be repealed and replaced in 2025 for review during the 2026 legislative session. The department anticipates reducing the overall regulatory burden by reducing both total word count and the number of restrictive words in the new rule chapter. The department reviewed the rule with stakeholders to ensure that it is right sized. The department seeks to modify language for consistency within the rule, with statutes, and with other state rules.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state General Fund greater than ten thousand dollars (\$10,000) during the fiscal year as a result of this rulemaking: This rule will have no fiscal impact on the state General Fund.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the April 2, 2025 Idaho Administrative Bulletin, [Vol. 25-4, pages 36-38](#).

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule:

IDL has chosen to incorporate by reference the International Fire Code adopted through IDAPA 18.08.01 - Idaho Department of Insurance State Fire Marshal – Adoption of the International Fire Code, which helps IDL ensure that

buildings, fueling stations, and commercial public encroachments meet minimum standards for safety over the water. The IFC is enforced through the Idaho State Fire Marshal or their deputy.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Marde Mensinger at (208) 334-0248 or mmensinger@idl.idaho.gov.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before September 24, 2025.

DATED this 30th day of July, 2025.

Marde Mensinger, Navigable Waterways Program Manager
Idaho Department of Lands
300 N. 6th Street, Suite 103
P.O. Box 83720
Boise, Idaho 83720-0050
Phone: (208) 334-0248
Fax: (208) 334-3698
rulemaking@idl.idaho.gov



Docket No. 20-0304-2401
Proposed Rulemaking Summary

Proposed Rulemaking Summary

IDAPA 20.03.04 — Rules for the Regulation of Beds, Waters, and Airspace over Navigable Lakes in the State of Idaho **Docket No. 20-0304-2401**

Members of the public participated in the Department's proposed rulemaking process by attending the public hearing and submitting written comments. Key information considered by the Department included applicable statutes, information provided by the public, and the Department's legal counsel during the negotiation process.

Key documents from the rulemaking record, which includes rule drafts, written public comments and documents distributed during the proposed rulemaking process, are available at <https://www.idl.idaho.gov/rulemaking/docket-20-0304-2401/>. The entire rulemaking record is available for review upon request to the Department. At the conclusion of the proposed rulemaking process, the Department formatted the rule draft for publication as a pending rule in the Idaho Administrative Bulletin.

In developing the pending rule, the Department considered all comments received during the proposed rulemaking process. Following are comments on the proposed rule and the Department's response to those comments:

	Commenter	Written Comments	Rule Section	Response
1.	Nick Snyder – Kootenai County Parks and Waterways 9/4/2025	Thank you for providing an opportunity to comment on this important topic which may affect nearly 200,000 residents of Kootenai County. Kootenai County is blessed to have eighteen lakes and rivers with over 45,000 boatable acres available for our citizens to enjoy. Kootenai County also has the highest number of registered boats in the state, along with several thousands of shoreline property owners. These two factors often create conflict between the boating/floating/angling public vs. shoreline	Non-specific/ Section 030 – Processing Applications	§ 58-1301 Idaho Code states “The legislature of the state of Idaho hereby declares that the public health, interest, safety and welfare requires that all encroachments upon, in or above the beds or waters of navigable lakes of the state be regulated in order that the protection of property, navigation, fish and wildlife habitat, aquatic life, recreation, aesthetic beauty and water quality be given due consideration and weighed against the navigational or economic necessity or

	property owners. I often receive comments from our recreating citizens that; “IDL keeps permitting docks, float homes, and other stuff that is ruining our lakes and rivers and the property owners act like they own the public water.” Conversely, shoreline property owners complain that; “Boats are ruining our docks and shorelines.” I am sure these comments are common in every county in Idaho. I have had the opportunity to observe changes to our waterways for nearly 20-years in my current position and based on those observations, as well as other factors, I recommend IDL consider adoption of the following language to assist in protecting all state waterways. Idaho lakes and rivers are both unique and magnificent resources that must be protected for future generations. I believe that the language I drafted below will provide IDL with additional tools necessary to address unique circumstances where an application for encroachment may pose significant risk to the items listed below. REASONS FOR DENIAL OF ENCROACHMENT PERMIT: “Any application that may change historic public use of a waterway, interfere or adversely affect navigation, degrade public recreational opportunities, limit or otherwise restrict any use by the public, adversely affect commerce, or impact public safety as determined by the	justification for, or benefit to be derived from the proposed encroachment.” Public safety is weighed and considered during review of all encroachment permits, and that authority is captured by this statute.
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		County Sheriff, shall be considered when approving encroachment permits.”		
2.	Alexander Nickolatos – KOREPower 9/11/2025	Thank you for hosting the call today. I noticed that on page 37 (“28”), a pylon is no longer defined with the deletions. As edited, it seems to read “A that is placed into the lakebed and used to support encroachments.”	Definitions Section 010.28	IDL will adopt this suggest change so that the definition now reads “A post that is placed into the lakebed and used to support encroachments.”
3.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	The proposed definition for a Commercial Marina is unclear. It states: “A commercial navigational encroachment whose primary purpose is to provide moorage for rental or for free to at least 50% of the general public.” The definition for Commercial Marinas should state: “A commercial navigational encroachment primarily intended to provide moorage must make at least 50% of its moorage available for use by the general public for rent or free. Access to this public moorage must not be contingent upon membership in a homeowners' association, club, or any other private entity.” The intended clarification is that the language currently states that 50% of the public is allowed moorage, rather than the intended 50% of the slips being available to the public.	20.03.04.010.07 Commercial Marina - Definition	IDL will adopt part of this recommendation. The definition will now read “A commercial navigational encroachment whose purpose is to provide at least 50% of its moorage available for rental or for free to the general public.”
4.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	Thank you for deleting the word ‘structures’ and retaining the singular term, ‘structure.’ We recommend further clarification indicating that each Community Dock must be permitted independently just as each single family and two family dock is permitted independently. This would prevent the intent of the rule from being circumvented in the future. Littoral owners have in certain cases been allowed to divide their total permissible	20.03.04.010.09 Community Dock - Definition	Community docks are limited in size by their shoreline length, or by the discretion of the Department. If a community dock were to cause adversely affects, the Department would consider these factors in reviewing the application. Applicants that meet the definition of a community dock may apply for community docks allowable under Title 58, Section 1306 Idaho Code.

		community dock square footage into multiple individual structures, effectively undermining the size limits for Single-Family Docks and Two-Family Docks. For example, the Camp Bay Community Association, Inc's Encroachment Permit Application No. L-96-S-2687 was approved, allowing a community dock 'system' composed of 13 docks without the size limitations required for Single-Family and Two-Family Docks. Clear language is needed to highlight the legislative intent of the Lakes Protection Act to protect fish and wildlife habitat, aquatic life and water quality. Large docks and extensive dock systems cause a loss of littoral zone habitat for fish, amphibians, insects, and other aquatic life. They can also change wave patterns and water circulation, leading to erosion or sediment accumulation. As such, fish spawning areas may be smothered and water clarity reduced.		
5.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	It should be clearly stated that the State Board of Land Commissioners is not the only entity responsible for managing lake beds in Idaho. Under Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act , the U.S. Army Corps of Engineers also has regulatory authority over lake beds of "Waters of the United States," including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho</i> . Other Tribes may have	20.03.04.012.01 Policy - Public Trust Resources Protection	Jurisdiction over navigable lakes is defined in Title 58, Chapter 13 Idaho Code. IDAPA 20.03.04.020.03 states "A person seeking to make an encroachment must also obtain any additional approvals lawfully required by federal, local or other state agencies.". Section 070.04 also states "The permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources."

		ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.		
6.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	Thank you for including language to allow materials other than rock. We recommend that natural materials other than rock should be explicitly encouraged. Environmentally friendly solutions such as Coir Logs (coconut fiber rolls), logs and vegetative buffers can diminish wave action. Natural shoreline stabilization can absorb or diminish wave action, improve fish habitat and filter polluted runoff.	20.03.04.015.08 Encroachment Standard - Riprap	Applicants may use whichever material would be best suited for their erosion control needs allowable under Idaho law. IDL encourages applicants to consider all options for erosion control in order to find a method that best suits their needs.
7.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	The Idaho Lake Protection Act makes no reference to excavating or dredging, and IDL does not have authority to regulate these activities. It should be clearly stated that the U.S. Army Corps of Engineers and various Tribes have regulatory authority over dredging and excavation of lake beds. Section 404 of the Clean Water Act 6 establishes that the U.S. Army Corps of Engineers has regulatory authority over “Waters of the United States,” including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d’Alene Tribe owns the southern third of Lake Coeur d’Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.	20.03.04.015.11 Encroachment Standard - Excavating or Dredging	Dredging is considered an activity that may require an encroachment permit under IDAPA 20.03.04. IDL works with the U.S. Army Corps of Engineers to address and/or permit dredging below the Ordinary High Water Mark. Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.

8.		Permits for facilities and infrastructure designed to hold or transfer sewage need to be coordinated with the Idaho Department of Environmental Quality (DEQ) or the relevant Public Health District, depending on the type of system they connect to. The DEQ derives its authority to regulate upland sewage disposal through the Individual/Subsurface Sewage Disposal Rules , and Section 402 of the Clean Water Act. The DEQ administers the Individual/Subsurface Sewage Disposal Rules in collaboration with Idaho's seven public health districts under a memorandum of understanding. While DEQ sets the standards and provides oversight, the public health districts are responsible for permitting and inspecting septic systems. Individuals or entities seeking to connect to community sewer or septic systems in Idaho must consult with the local public health district to ensure compliance with all applicable regulations and to obtain the necessary permits. This needs to be stated in IDL's rules in order to provide clarity to the applicant.	20.03.04.015.13.h General Encroachment Standards (connected with upland sewer or septic systems)	Sewer and septic systems must adhere to IDAPA 24.39.20, "Rules Governing Plumbing", incorporated by reference in these rules. Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.
9.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	We support the recommendation submitted by the Coeur d 'Alene Tribe on April 30th, 2025 , regarding this Negotiated Rulemaking. For ease of reference, an excerpt is copied here: <i>"Section 20.03.04.015.15. Marine Motor Fuel Dispensing Facilities: Fuel dispensing facilities on, in, or above the waters or beds of navigable lakes present significant environmental and water quality concerns. This section is insufficiently vague; without further regulation there is</i>	20.03.04.015.15 Marine Motor Fuel Dispensing Facilities	Applicants that wish to install marine motor fuel dispensing facilities must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.

		<i>considerable likelihood that these facilities will irreparably harm Tribal Waters, State waters, and Waters of the United States. Water quality standards relating to hazardous spills and petroleum releases should be incorporated by reference; additionally, safety standards for liquified petroleum gas dealers and gas storage facilities should be incorporated by reference. a. A new subsection .015.15.c. should be added to read: "All Marine Motor Fuel Dispensing Facilities permitted under this section must adhere to the standards set forth in IDAPA 58.01.02. 'Department of Environmental Quality-Water Quality Standards,' Subsections: 800. 'Hazardous and Deleterious Material Storage'; 850. 'Hazardous Material Spills'; 851. 'Petroleum Release Reporting, Investigation, and Confirmation'; and 852. 'Petroleum Release Response and Corrective Action' as incorporated by reference in Section 003.05. of these rules. Further, such Facilities must adhere to the standards set forth in IDAPA 24.22.01 'Division of Occupational and Professional Licenses-Rules for the Idaho Liquified Petroleum Gas Safety Board,' as incorporated by reference in Section 003.06." b. IDL should also incorporate by reference the above regulations at subsection 003.05. and 003.06., respectively."</i>		
10.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	The Idaho Lake Protection Act makes no reference to ‘fill material,” and IDL does not have authority to regulate this activity. It should be clearly stated that the U.S. Army Corps of Engineers and various Tribes have regulatory authority over fill material being placed in lake beds. Section 404 of the Clean Water Act establishes that the U.S. Army Corps of	20.03.04.015.16 Fill Material	Fill is considered an encroachment on navigable lakes, and is included in the definition of “Encroachments not in aid of Navigation” in § 58-1302. IDL works with the U.S. Army Corps of Engineers to address and/or permit fill below the Ordinary High Water Mark. Additionally, the permittee must follow all other applicable state, federal and

		Engineers has regulatory authority over “Waters of the United States,” including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.		local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.
11.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	The Idaho Lake Protection Act makes no reference to dredging, and IDL does not have authority to regulate this activity. It should be clearly stated that the U.S. Army Corps of Engineers and various Tribes have regulatory authority over dredging lake beds. Section 404 of the Clean Water Act 14 authorizes the U.S. Army Corps of Engineers as the regulatory authority over “Waters of the United States,” including in Idaho. Additionally, certain Tribes have specific regulatory authority. The Coeur d'Alene Tribe owns the southern third of Lake Coeur d'Alene and its submerged lands. These rights were established through an 1873 executive order and affirmed in the 2001 Supreme Court case <i>United States v. Idaho</i> . Other Tribes may have ownership and regulatory authority related to land ownership and treaty rights. In order to support the public in navigating a complex legal system, these factors should be clearly stated.	20.03.04.020.06 Applications - Dredging	Dredging is considered an activity that may require an encroachment permit under IDAPA 20.03.04. IDL works with the U.S. Army Corps of Engineers to address and/or permit dredging below the Ordinary High Water Mark. Additionally, the permittee must follow all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources per IDAPA 20.03.04.070.04.

12.	Jennifer Ekstrom – Idaho Conservation League 9/23/2025	Fines should be assessed for encroachments that are built without permits, when applications for permits are submitted after the fact or not submitted at all. According to the Lake Protection Act, a civil penalty ranging from \$150 to \$2,500 for each violation may be assessed. If the violation causes harm to water quality, fisheries, or other public trust values, the penalty may increase to up to \$10,000 per violation or \$1,000 for each day of a continuing violation, whichever is greater. It is very common to see permit applications after the fact, but very uncommon for IDL to assess fines. This effectively undermines IDL’s authority to regulate encroachments, and even incentivises unpermitted activity. Assessing fines in these situations would encourage compliance and also increase funding for IDL.	20.03.04.080 Violations - Penalties	Imposing additional fees and penalties lies outside of the scope of Executive Order 2020-02, Zero Based Regulation. Cost recovery for noncompliance is regulated under the Lake Protection Act.
13.	IDL 9/24/2025	Under Section 20.03.04.010.26., Public Hearing, the word coordinator should be removed and replaced with the word “officer”.	20.03.04.010.26 – Public Hearing	This change will be accepted.
14.	IDL 9/24/2025	Under Section 20.03.04.015.13.f., Weather Conditions, there is a stray period that needs to be removed from the sentence. The sentence should read as “Flotation devices must be reasonably resistant to puncture and other damage.”	20.03.04.015.13.f - Weather Conditions	This change will be accepted.
15.	IDL 9/24/2025	Under Section 20.03.04.015.13.l.i., Overhead Clearance, the words “in the permit” need to be removed from the last sentence of the paragraph.	20.03.04.015.13.l.i - Overhead Clearance	This change will be accepted.
16.	IDL 9/24/2025	Under Section 20.03.04.015.13.l.ii., Overhead Clearance, the reference to Paragraph 015.13.h needs to be replaced with an updated reference to Paragraph 015.13.l.	20.03.04.015.13.l.ii - Overhead Clearance	This change will be accepted.

17.	IDL 9/24/2025	Under Section 20.03.04.015.14.a., Floating Toys, the sentence should be amended to remove the words “encroachment, and an” so that the sentence simply reads as “An encroachment permit is required for floating toys when they are anchored to the lakebed with an anchor that requires equipment for removal or when located waterward of the line of navigability for more than twenty-four (24) consecutive hours.”	20.03.04.015.14.a - Floating Toys	This change will be accepted.
18.	IDL 9/24/2025	Under Section 20.03.04.020.07.a., the word “must” should be included in the first sentence. It should read as “Plans must include detailed information to demonstrate compliance with the applicable standards of these rules, and the following information at a scale sufficient to show the information requested:”	20.03.04.020.07.a	This change will be accepted.
19.	IDL 9/24/2025	Under Section 20.03.04.020.07.c., there is an “a” missing from the sentence. The correct language should read as “If more than one (1) littoral owner exists, the application must bear the signature of all littoral owners, or the signature of an authorized officer of an entity or a designated homeowner’s or property management association.”	20.03.04.020.07.c	This change will be accepted.
20.	IDL 9/24/2025	Under Section 20.03.04.020.07.h., the word “intake” should be removed from the sentence. It should read as “No publication cost is required for applications for noncommercial navigational encroachments not extending beyond the line of navigability or for application for installation of buried or submerged water lines and utility lines.”	20.03.04.020.07.h	This change will be accepted.

21.	IDL 9/24/2025	Under Section 20.03.04.030.09., Judicial Review, the word “decision” should be removed from the first sentence. It should read as “Any applicant or party aggrieved by the Director’s final order has the right to judicial review of the final order by the district court in the county in which the encroachment is proposed by filing a notice of appeal within thirty (30) days from the date of the final order.”	20.03.04.030.09. - Judicial Review	This change will be accepted.
22.	IDL 9/24/2025	Under Section 20.03.04.055.02., Seawalls, Breakwaters, Fill., there is a stray comma after the word “authorized” that needs to be removed from the sentence. It should read as “Seawalls, breakwaters, and fill on or over state-owned beds, designed primarily to create additional land surface, will only be authorized by an encroachment permit and submerged land lease or easement, upon approval by the Department.”	20.03.04.055.02. - Seawalls, Breakwaters, Fill	This change will be accepted.

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UNOFFICIAL COPY: PENDING RULE TEXT OF DOCKET NO. 20-0304-2401
(ZBR Chapter Rewrite.)

**20.03.04 – RULES FOR ~~THE REGULATION OF BEDS, WATERS, AND AIRSPACE~~
OVER NAVIGABLE LAKES IN THE STATE OF IDAHO ENCROACHMENTS ON NAVIGABLE LAKES**

00. LEGAL AUTHORITY.

~~This Chapter is adopted under the legal authorities of Sections 58-104(6), 58-104(9), 58-105, and 58-127, Idaho Code; Title 58, Chapter 13, Idaho Code; and Title 67, Chapter 52, Idaho Code.~~ (3-18-22)()

01. ~~TITLE AND~~ SCOPE.

01. ~~Title.~~ ~~These rules are titled IDAPA 20.03.04, “Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho.”~~ (3-18-22)

02. ~~Scope.~~ These rules govern encroachments on, in, or above navigable lakes in the state of Idaho. (3-18-22)()

02. ADMINISTRATIVE APPEALS.

Any person aggrieved by any final decision or order of the ~~b~~Board is entitled to judicial review pursuant to ~~the provisions of Title 67, Chapter 52, Idaho Code, IDAPA 20.01.01,~~ Title 58, Chapter 13, ~~Sections 58-1305 and 58-1306,~~ Idaho Code, and Sections 025, 030, and 080 of these rules. (3-18-22)()

03. INCORPORATION BY REFERENCE.

The following documents are incorporated by reference into these rules: (3-18-22)

01. IDAPA 24.39.10, “Rules of the Idaho Electrical Board.” IDAPA 24.39.10 is available at <https://adminrules.idaho.gov/rules/current/24/243910.pdf>. (3-18-22)

02. IDAPA 24.39.20, "Rules Governing Plumbing." This rule is available at <https://adminrules.idaho.gov/rules/current/24/243920.pdf>. (3-18-22)

03. 33 CFR Part 62, revised as of July 27, 2015 (United States Aids to Navigation System). The Electronic Code of Federal Regulations (eCFR) is available at <https://www.ecfr.gov/cgi-bin/ECFR>. (3-18-22)()

04. IDAPA 18.08.01, "Idaho Department of Insurance State Fire Marshal – Adoption of the International Fire Code". This rule is available at <https://adminrules.idaho.gov/rules/current/18/180801.pdf>. ()

04. -- 009. (RESERVED)

10. DEFINITIONS.

Additional definitions can be found in Title 58, Chapter 13, Idaho Code. ()

01. **Adjacent.** Contiguous or touching, and with regard to land or land ownership having a common boundary. (3-18-22)

02. **Aids to Navigation (ATON).** Buoys, beacons, warning lights, and other encroachments in aid of navigation intended to improve waterways for navigation used to determine position or safe courses. (3-18-22)()

03. **Artificial High Water Mark.** The high water elevation above the natural or ordinary high water mark resulting from construction of man-made dams or control works and impressing a new and higher vegetation line. (3-18-22)

04. **Beds of Navigable Lakes.** The lands lying under or below the "natural or ordinary high water mark" of a navigable lake and, for purposes of these rules only, the lands lying between the natural or ordinary high water mark and the artificial high water mark, if there be one. (3-18-22)

05. **Board.** The Idaho State Board of Land Commissioners or its designee. (3-18-22)

063. **Boat Garage.** A structure nonnavigational encroachment with one (1) or more slips that is completely enclosed with walls, roof, and doors, but no temporary or permanent residential area. (3-18-22)()

074. **Boat Lift.** A mechanism navigational encroachment for mooring boats partially or entirely out of the water. (3-18-22)()

085. **Boat Ramp.** A structure navigational encroachment or improved surface extending below the ordinary or artificial high water mark whereby watercraft or equipment are launched from land-based vehicles or trailers. (3-18-22)()

06. **Breakwater.** A navigational encroachment that is designed to protect moorage by reducing wave energy. ()

097. **Commercial Marina.** A commercial navigational encroachment whose primary purpose is to provide at least 50% of its moorage for rental or for free to the general public. (3-18-22)()

1008. **Commercial Navigational Encroachment.** A navigational encroachment used for commercial purposes. (3-18-22)

1109. **Community Dock.** A structure navigational encroachment that provides private moorage for three (3) or more than two (2) adjacent littoral owners, or other littoral owners possessing a littoral common area with littoral rights including, but not limited to homeowner's associations. No public access is required for a community dock. (3-18-22)()

120. **Covered Slip.** A slip, or group of slips, with a covered by a frame, fabric canopy, and eaves that do not extend beyond the underlying dock. (3-18-22)()

- 131. Department.** The Idaho Department of Lands ~~or its designee.~~ (3-18-22)()
- 142. Director.** The head of the Idaho Department of Lands or ~~his~~ their designee. (3-18-22)()
- 15. — Encroachments in Aid of Navigation.** Includes docks, piers, jet ski and boat lifts, buoys, pilings, breakwaters, boat ramps, channels or basins, and other facilities used to support water craft and moorage on, in, or above the beds or waters of a navigable lake. The term “encroachments in aid of navigation” is used interchangeably with the term “navigational encroachments.” (3-18-22)
- 16. — Encroachments Not in Aid of Navigation.** Includes all other encroachments on, in, or above the beds or waters of a navigable lake, including landfills, bridges, utility and power lines, or other structures not constructed primarily for use in aid of navigation, such as float homes and boat garages. The term “encroachments not in aid of navigation” is used interchangeably with the term “nonnavigational encroachments.” (3-18-22)
- 13. Dredging.** The removal of earthen material below the ordinary or artificial high water mark. The term “dredging” may also be used interchangeably with “excavating.” ()
- 174. Floating Home or Float Home.** A ~~structure~~ nonnavigational encroachment that is designed and built to be used, or is modified to be used, as a stationary ~~waterborne~~ residential dwelling and is not self-propelled. These structures are usually dependent for utilities upon a continuous utility linkage to a source originating on shore, and must have either a permanent continuous connection to a sewage system on shore, or an alternative method of sewage disposal that does not violate local, state, or federal water quality and sanitation regulations. (3-18-22)()
- 185. Floating Toys.** Trampolines, inflatable structures, water ski courses, slides, and other nonnavigational recreational equipment that are not permanently anchored to the lake bed ~~or an encroachment~~ and are either located between the shoreline and the line of navigability or are waterward of the line of navigability for less than twenty-four (24) consecutive hours. (3-18-22)()
- 196. Jet Ski Ramp, Port, or Lift.** A ~~mechanism~~ navigational encroachment for mooring jet skis or other personal watercraft similar to a boat lift. ~~The lifts may be free standing or attached to a dock or pier.~~ (3-18-22)()
- 2017. Line of Navigability.** A line located at such distance waterward of the low water mark established by the length of existing legally permitted encroachments, water depths waterward of the low water mark, and by other relevant criteria determined by the ~~b~~Board when a line has not already been established for the body of water in question. (3-18-22)()
- 18. Littoral Owner.** The fee owner of land adjacent to a navigable lake, or a lessee, or the owner of littoral rights that have been segregated from the fee specifically by deed, lease, or other grant. ()
- 19. Littoral Right Lines.** Lines that extend waterward from the intersection of the artificial or ordinary high water mark and an upland ownership boundary to the line of navigation. ()
- 240. Low Water Mark.** That line or elevation on the bed of a lake marked or located by the average low water elevations over a period of years, and marks the point to which the riparian rights of adjoining landowners extend as a matter of right, in aid of their right to use the waters of the lake for purposes of navigation. (3-18-22)
- 21. Marine Motor Fuel-Dispensing Facility.** A nonnavigational encroachment where flammable and/or combustible liquids or gases used as fuel for watercraft are stored and dispensed from fixed equipment on shore, piers, wharves, floats or docks into the fuel tanks of marine craft and includes all other facilities used in connection therewith. ()
- 22. Moorage.** A place to secure float homes, boat garages, and watercraft ~~including, but not limited to,~~ boats, personal watercraft, jet skis, etc. (3-18-22)()
- 23. Natural or Ordinary High Water Mark.** The high water elevation in a lake over a period of

years, uninfluenced by man-made dams or works, at which elevation the water impresses a line on the soil by covering it for sufficient periods to deprive the soil of its vegetation and destroy its value for agricultural purposes. (3-18-22)

24. Navigable Lake. Any permanent body of relatively still or slack water, including man made reservoirs, not privately owned and not a mere marsh or stream eddy, and capable of accommodating boats or canoes. This definition does not include man-made reservoirs where the jurisdiction thereof is asserted and exclusively assumed by a federal agency. (3-18-22)

253. Party. Each person or agency named or admitted as a party or properly seeking and entitled as of right to be admitted as a party. (3-18-22)

264. Person. A partnership, association, corporation, natural person, or entity qualified to do business in the state of Idaho and any federal, state, tribal, or municipal unit of government. Any individual, partnership, corporation, association, governmental subdivision or agency, or public or private organization or entity of any character. (3-18-22)()

275. Piling. ~~A metal, concrete, plastic, or wood p~~ Posts that ~~is placed~~ are driven into the lakebed and used to secure floating docks and other structures. (3-18-22)()

28. Plans. Maps, sketches, engineering drawings, aerial and other photographs, word descriptions, and specifications sufficient to describe the extent, nature and approximate location of the proposed encroachment and the proposed method of accomplishing the same. (3-18-22)

296. Public Hearing. The type of hearing where members of the public and other interested parties or agencies are allowed to comment, in written or oral form, on the record at a public meeting held at a set time and place and presided over by a designated ~~representative of the Department who acts as the~~ hearing coordinator officer. This type of hearing is an informal opportunity for public comment and does not involve the presentation of witnesses, cross examination, oaths, or the rules of evidence. A recording ing of any oral presentations at ~~such~~ these hearings will be taken ~~by the Department by tape recorder. The hearing coordinator exercises such control at hearings as necessary to maintain order, decorum and common courtesy among the participants.~~ (3-18-22)()

3027. Public Trust Doctrine. The duty of the State to its people to ensure that the use of public trust resources is consistent with identified public trust values. This common law doctrine has been interpreted by decisions of the Idaho Appellate Courts and is codified at Title 58, Chapter 12, Idaho Code. (3-18-22)

3128. Pylon. ~~A metal, concrete, or wood~~ post that is placed into the lakebed and used to support ~~fixed piers~~ encroachments. (3-18-22)()

32. Riparian or Littoral Rights. The rights of owners or lessees of land adjacent to navigable waters of the lake to maintain their adjacency to the lake and to make use of their rights as riparian or littoral owners or lessees in building or using aids to navigation but does not include any right to make any consumptive use of the waters of the lake. (3-18-22)

33. Riparian or Littoral Owner. The fee owner of land immediately adjacent to a navigable lake, or his lessee, or the owner of riparian or littoral rights that have been segregated from the fee specifically by deed, lease, or other grant. (3-18-22)

34. Riparian or Littoral Right Lines. Lines that extend waterward of the intersection between the artificial or ordinary high water mark and an upland ownership boundary to the line of navigation. Riparian or littoral right lines will generally be at right angles to the shoreline. (3-18-22)

35. Side Tie. Moorage for watercraft where the dock or pier is on only one (1) side of the watercraft. (3-18-22)

29. Residential Area. Any space used for habitation, whether temporarily or permanently, that may include, but is not limited to sleeping arrangements, cooking appliances, bathroom facilities, living amenities.

recreational or entertaining space, or utility connections. ()

30. Seawall. A nonnavigational encroachment constructed to prevent erosion to an area of land. ()

361. Single-Family Dock. A ~~structure~~ navigational encroachment providing noncommercial moorage that serves one (1) waterfront owner ~~whose waterfront footage is no less than twenty-five (25) feet.~~ (3-18-22)()

372. Slip. Moorage for ~~boats~~ watercraft with pier or dock structures on at least two (2) sides of the moorage. (3-18-22)()

383. Submerged Lands. The state-owned beds of navigable lakes, rivers and streams below the ~~natural~~ or ordinary high water marks. (3-18-22)()

394. Two-Family Dock. A ~~structure~~ navigational encroachment providing noncommercial moorage that serves two (2) separate adjacent waterfront owners ~~having a combined waterfront footage of no less than fifty (50) feet. Usually the structure is located on the common littoral property line.~~ (3-18-22)()

4035. Upland. ~~The land bordering on~~ The land above the ordinary high water mark bordering on navigable lakes, rivers, and streams. (3-18-22)()

36. Water Line. A nonnavigational encroachment used to collect or discharge water. ()

11. ABBREVIATIONS.

01. ATON. ~~Aids to Navigation.~~ (3-18-22)

02. HDPE. ~~High Density Polyethylene.~~ (3-18-22)

01. O/AHWM. Ordinary or Artificial High Water Mark. ()

12. POLICY.

01. Environmental Public Trust Resource Protection and Navigational or Economic Necessity, Justification, or Benefit. It is the express policy of the State of Idaho that the public health, interest, safety and welfare requires that all encroachments upon, in or above the beds or waters of navigable lakes of the state be regulated in order that the protection of property, navigation, fish and wildlife habitat, aquatic life, recreation, aesthetic beauty and water quality be given due consideration and weighed against the navigational or economic necessity or justification for, or benefit to be derived from the proposed encroachment. Moreover, it is the responsibility of the ~~State Board of Land Commissioners~~ to regulate and control the use or disposition of state-owned lake beds, ~~so as~~ to provide for their commercial, navigational, recreational or other public use. (3-18-22)()

02. No Encroachments Without Permit. No encroachment on, in or above the beds or waters of any navigable lake ~~in the state~~ may be made ~~unless approval has been given~~ without approval as provided in these rules. An encroachment permit does not guarantee the use of public trust lands without appropriate compensation to the state of Idaho. An encroachment permit may require a submerged land lease. An encroachment permit for a specific activity or encroachment does not guarantee continued use if the activity or encroachment is subsequently found to substantially interfere with navigation or commerce. (3-18-22)()

03. Permitting of Existing Encroachments. (3-18-22)

a. ~~The provisions of Title 58, Chapter 13, Section 58-1312, Idaho Code, apply.~~ (3-18-22)

b. ~~Any new encroachments, or any unpermitted encroachments constructed after January 1, 1975, are subject to these rules.~~ (3-18-22)

13. -- 014. (RESERVED)

15. ENCROACHMENT STANDARDS.

01. **Single-Family and Two-Family Docks.** ~~The following parameters govern the size and dimensions of single family docks and two family docks.~~ (3-18-22)()

a. Total waterfront ownership must include at least twenty-five (25) linear feet of shoreline for single-family docks or fifty (50) feet of linear shoreline for two-family docks. ()

ab. No part of the ~~structure~~ encroachment waterward of the ~~natural or ordinary high water mark or artificial high water mark~~ O/AHWM may exceed ten (10) feet in width, excluding the slip cut out. (3-18-22)()

bc. Total surface decking area waterward of the ~~natural or ordinary or artificial high water mark O/ AHWM, including approach ramp and walkway,~~ may not exceed seven hundred (700) square feet, ~~including approach ramp and walkway~~ for a single-family dock ~~and may not exceed or~~ one thousand one hundred (1,100) square feet, ~~including approach ramp and walkway~~ for a two-family dock. (3-18-22)()

ed. No portion of the ~~docking facility~~ encroachment may extend beyond the line of navigability. ~~Shorter docks are encouraged whenever practical and new docks normally will be installed within the waterward extent of existing docks or the line of navigability.~~ (3-18-22)()

de. A variance to the standards in this Subsection 015.01 ~~may will only~~ be approved by the Department when justified by site specific considerations, ~~such as the distance to the established line of navigability.~~ Any variance granted may require a lease per IDAPA 20.03.17. (3-18-22)()

02. **Community Docks.** (3-18-22)

a. ~~A community dock is considered a commercial navigational aid for purposes of processing the application.~~ (3-18-22)

ba. No part of the ~~structure~~ encroachment waterward of the ~~natural or ordinary high water mark or artificial high water mark~~ O/AHWM may exceed ten (10) feet in width except breakwaters when justified by site specific conditions and approved by the Department. (3-18-22)()

cb. ~~A community dock may not have less than~~ Total waterfront ownership must have at least fifty (50) linear feet of combined shoreline frontage. ~~Moorage facilities will be limited in size as a function of the length of shoreline dedicated to the community dock. The surface decking area of the community dock is limited to the product of the length of shoreline multiplied by seven (7) square feet per lineal feet or a minimum of seven hundred (700) square feet. However, the Department, at its discretion, may limit the ultimate size when evaluating the proposal and public trust values.~~ (3-18-22)()

c. The surface decking area of the community dock is limited to the greater of seven hundred (700) square feet or the product of the linear feet of the upland shoreline multiplied by seven (7) feet. The Department, in its sole discretion, may limit the surface decking area when site specific considerations justify a reduction to protect public trust resources. ()

d. ~~If a breakwater will be incorporated into the structure of a dock, and a need for the breakwater can be demonstrated, the Department may allow the surface decking area to exceed the size limitations of Paragraph 015.02.c of these rules~~ The Department may allow the surface decking area of a community dock to exceed the size limitations if the need for a breakwater is demonstrated. (3-18-22)()

e. ~~A person with permit is required to convert~~ an existing community dock ~~that desires to change the facility in~~ to a commercial marina ~~must submit the following information to the Department:.~~ (3-18-22)()

i. ~~_____ A new application for an encroachment permit.~~ (3-18-22)

ii. ~~_____ Text and drawings that describe which moorage will be public and which moorage will be private.~~ (3-18-22)

03. Commercial Marina.

(3-18-22)

a. ~~Commercial marinas must have a minimum of~~ At least fifty percent (50%) of ~~their~~ moorage available for use by the at a commercial marina must be available to the general public on either a first come, first served basis for free or rent, or ~~a rent or lease agreement for a period of time up to one (1) for lease not to exceed one~~ (1) year. Moorage contracts leases may be renewed annually, ~~so long as a renewal term does not to~~ not to exceed one (1) year. ~~Moorage for use by the general public may~~ Public moorage must ~~not include conditions that result in a transfer of ownership of moorage or real property, or~~ require membership in a club or organization. (3-18-22)()

b. ~~Commercial marinas that are converted to a community dock must conform to all the community dock standards, including frontage requirements and square footage restrictions. This change of use must be approved by the Department through a new encroachment permit prior to implementing the change~~ A permit is required to convert an existing commercial marina into any other type of encroachment. Commercial marinas must keep at least fifty percent (50%) of their moorage available to the general public. The permit application must illustrate and clearly depict which is public moorage and which is private moorage. (3-18-22)()

c. If local city or county ordinances governing parking requirements for marinas have not been adopted, commercial marinas must provide ~~a minimum of upland vehicle parking equivalent to~~ at least one (1) upland parking space per two (2) public watercraft or float home moorages. If private moorage is tied to ~~specific parking spaces or designated parking areas~~ designated parking spaces or areas, then the commercial marina must provide at least one (1) upland parking space per one (1) private watercraft or float home moorage ~~must be provided~~. In the event of conflict, the local ordinances prevail. (3-18-22)()

d. ~~If a commercial marina can be accessed from a road, marina customers must be allowed access via that road.~~ (3-18-22)

ed. Moorage that is not available for public use as described in Paragraph 015.03.a. of these rules is private moorage. (3-18-22)

fe. When calculating the moorage percentage, the amount of public moorage is to be compared to the amount of private moorage. Commercial marinas with private float home moorage are required to provide either non-private float home moorage or two (2) public use boat moorages for ~~every~~ each private float home moorage in addition to any other required public use boat moorages. (3-18-22)()

gf. When private moorage is permitted, the public moorage must be of similar size and quality as private moorage, except for float home moorage as provided in Paragraph 015.03.f. (3-18-22)

hg. Commercial marinas with private moorage must form a condominium association, co-op, or other entity that owns and manages the marina, littoral rights, upland property sufficient to maintain and operate a marina, ~~and private submerged land, if present~~. This entity is responsible for obtaining and maintaining an encroachment permit under these rules and a submerged lands lease under IDAPA 20.03.17, ~~"Rules Governing Leases on State-Owned Submerged lands and Formerly Submerged Lands."~~ (3-18-22)()

i. ~~Existing commercial marinas that desire to change their operations and convert some of their moorage to private use must keep at least fifty percent (50%) of their moorage available for use by the general public. This change in operations must be approved by the Department through a new encroachment permit prior to implementation of the change. The permit application must describe, in text and in drawings, which moorage will be public and which moorage will be private.~~ (3-18-22)

04. Covered Slip.

(3-18-22)

a. Covered slips, regardless of when constructed, may not have a temporary or permanent residential area. (3-18-22)

b. ~~Slip covers should have colors that blend with the natural surroundings and are approved by the Department~~ Covered slips with hard roofs and up to three (3) walls may be maintained or replaced at their current size

if previously permitted or constructed prior to January 1, 1975. These structures may not be expanded nor converted to boat garages. (3-18-22)()

c. Covered slips may not be supported by extra piling nor constructed with hard roofs. (3-18-22)

d. ~~Slip covers with permanent roofs and up to three (3) walls may be maintained or replaced at their current size if they were previously permitted or if they were constructed prior to January 1, 1975. These structures may not be expanded nor converted to boat garages.~~ Covered slips should have colors that blend with the natural surroundings and are approved by the Department. (3-18-22)()

e. ~~Fabric~~ Covered slips must be constructed as canopies without sides unless the following standards are followed: (3-18-22)()

i. At least two (2) feet of open space is left between the bottom of the cover and the dock or pier surface; and (3-18-22)

ii. Fabric for canopy and sides will transmit at least seventy-five percent (75%) of the natural light. (3-18-22)

05. Boat Garage. (3-18-22)

a. Boat garages ~~are considered nonnavigational encroachments~~ must only be used for mooring watercraft, and may not have separate fully enclosed rooms, overhead storage, or a residential area of any kind as defined by these rules. (3-18-22)()

b. Applications for permits to construct new boat garages, ~~expand the total square footage of the existing footprint, or raise the height will not be~~ or to expand the height or square footage of existing boat garage are no longer accepted unless the application is to support local emergency services. (3-18-22)()

c. ~~Existing permitted boat garages may be maintained or replaced with the current square footage of their existing footprint and height.~~ A permit is required to replace or relocate an existing boat garage. A new boat garage may not be expanded in size or height, and must retain the original square footage and footprint. (3-18-22)()

d. ~~Relocation of an existing boat garage will require a permit.~~ (3-18-22)

06. Breakwaters. Breakwaters ~~built upon the lake for use in aid of navigation~~ will not be authorized below the level of normal low water mark without an extraordinary showing of need, provided, however that this does not apply to floating breakwaters secured by piling and used to protect private property from recurring wind, wave, or ice damage, or used to control traffic in busy areas of lakes. The breakwater must be designed to counter wave actions of known wave heights and wave lengths. (3-18-22)()

07. Seawalls. Seawalls should be placed at or above the ~~ordinary high water mark, or the artificial high water mark O/AHWM, if applicable possible.~~ Seawalls are ~~not an aid to navigation, nonnavigational~~ and placement waterward of the ~~ordinary or artificial high water mark O/AHWM~~ will generally not be allowed. (3-18-22)()

08. Riprap. (3-18-22)

a. Riprap used to stabilize shorelines will consist of rock or other materials that ~~is~~ are appropriately sized to resist movement from anticipated wave heights or tractive forces of the water flow. The rock must be sound, dense, durable, and angular rock resistant to weathering and free of fines. The riprap must overlie a distinct filter layer which that consists of sand, gravel, or nonwoven geotextile fabric. The riprap and filter layer must be keyed into the bed below the ~~ordinary or artificial high water mark O/AHWM~~, as applicable. If the applicant wishes to install riprap with different standards, they must submit a design that is signed and stamped for construction purposes by a professional engineer registered in the state of Idaho. (3-18-22)()

b. Riprap used to protect the base of a seawall or other vertical walls may not need to be keyed into

the bed and may not require a filter layer, at the Department's discretion.

(3-18-22)

09. Mooring Buoys. Buoys must be installed a minimum of thirty (30) feet away from littoral right lines of adjacent littoral owners. One (1) mooring buoy per littoral owner may be allowed for single-family encroachments. (3-18-22)()

10. Float Homes.

(3-18-22)

a. Applications for permits to construct new float homes, convert existing encroachments into float homes, or to expand the total square footage of the existing footprint, will not be accepted. (3-18-22)()

b. ~~Applications for relocation of~~ A permit is required to relocate, rebuild, or add another story to existing float homes ~~within a lake or from one (1) lake to another.~~ Applications are subject to the following requirements: (3-18-22)()

i. The applicant must provide ~~P~~ proof of ownership or long term lease of the uplands ~~parcels~~ adjacent to the relocation site ~~must be furnished to the Department.~~ (3-18-22)()

ii. The applicant must provide detailed, scaled drawings approved by an engineer licensed in the state of Idaho that accurately illustrate and depict all interior and exterior features, layouts, and dimensions. ()

iii. The applicant must show that all wastes and waste water will be transported to shore disposal systems by a method approved by the Idaho Department of Environmental Quality or the appropriate local health authority. Applicant must either obtain a letter from the local sewer district stating that the district will serve the float home or demonstrate that sewage will be appropriately handled and treated. Applicant must also provide a statement from a professional plumber licensed in the state of Idaho that the plumbing was designed in accordance with IDAPA 24.39.20, "Rules Governing Plumbing," as incorporated by reference in Section 003 of these rules, installed properly, and has been pressure tested. (3-18-22)

c. ~~Encroachment applications and approved local permits are required for replacement of, or adding another story to, a float home.~~ (3-18-22)

d. ~~All plumbing work on float homes must be done in accordance with IDAPA 24.29.20, "Rules Governing Plumbing" and IDAPA 29.39.10, "Rules of the Idaho Electrical Board," as incorporated by reference in Section 003 of these rules.~~ (3-18-22)

e. ~~All float homes in Idaho that connect with upland sewer or septic systems must implement the following standards by December 31, 2012:~~ (3-18-22)

i. ~~The holding tank with pump or grinder unit must be adequately sealed to prevent material from escaping and to prevent lake water from entering. The tank lid must have a gasket or seal, and the lid must be securely fastened at all times unless the system is being repaired or maintained. An audible overflow alarm must also be installed.~~ (3-18-22)

ii. ~~Grinders or solids handling pumps must be used to move sewage from the float home to the upland system.~~ (3-18-22)

iii. ~~If solids handling pumps are used, they must have a minimum two (2) inch interior diameter discharge, and the pipe to the shoreline must also have a minimum two (2) inch interior diameter. Connectors used on either end of this pipe may not significantly reduce the interior diameter.~~ (3-18-22)

iv. ~~The pipeline from the float home to the shoreline must be a continuous line with no mechanical connections. Check valves and manual shutoff valves must be installed at each end of the line. Butt fused HDPE, two hundred (200) psi black polyethylene pipe, or materials with similar properties must be used. The pipeline must contain sufficient slack to account for the maximum expected rise and fall of the lake or river level. The pipeline must be buried in the lakebed for freeze protection where it will be exposed during periods of low water. Pipelines on the bed of the lake must be appropriately located and anchored so they will not unduly interfere with navigation or other~~

lake-related uses.

(3-18-22)

~~v. ——— Manifolds below the ordinary, or artificial if applicable, high water mark that collect two (2) or more sewer lines and then route the discharge to the shore through a single pipe are not allowed. All float homes must have an individual sewer line from the float home to a facility on the shore.~~

(3-18-22)

~~f. All float home permittees will have their float homes inspected by a professional plumber licensed in the state of Idaho by December 31, 2012. The inspection will be documented with a report prepared by the inspector. The report will document whether or not the float homes meet the standards in Paragraph 015.10.e. of these rules, and will be provided to the Department before the above date.~~

(3-18-22)

~~g. A float home permittee must request an extension, and give cause for the extension, if their float home does not meet the standards in paragraph 015.01.e. of these rules by December 31, 2012. Extensions beyond December 31, 2016 will not be allowed. A permittee's failure to either request the extension, if needed, or to meet the December 31, 2016 deadline will be a violation subject to the provisions of Section 080 of these rules.~~

(3-18-22)

~~h. Construction or remodel work on a float home that costs fifty percent (50%) or more of its assessed value will require an encroachment application and construction drawings stamped by an engineer licensed in the state of Idaho.~~

(3-18-22)

11. Excavated~~ing~~ or Dredged~~ing~~ Channel.

(3-18-22)()

~~a. Excavating, or dredging, or redredging channels requires an encroachment permit and are processed in accordance with Section 030 of these rules.~~

(3-18-22)()

~~b. An excavated or dredged channel or basin to provide Dredging to improve access to navigable waters must have a clear environmental, economic, or social benefit to the people of the state public, and must not result in any appreciable environmental degradation. A channel or basin Dredging will not be approved if the cumulative effects of these features in the same navigable lake would be adverse to fisheries or water quality.~~

(3-18-22)()

~~c. Whenever practical, such channels or basins dredging must be located to serve benefit more than one (1) littoral owner or a commercial marina; provided, however, that no basin or channel dredging will not be approved that will provide access for watercraft to nonlittoral owners.~~

(3-18-22)()

12. ATONs. Aids to Navigation will conform to the requirements established by the United States Aid to Navigation system.

(3-18-22)

13. General Encroachment Standards.

(3-18-22)

~~a. Square Footage. The square footage limitations in Subsections 015.01 and 015.02 include all structures encroachments beyond the ordinary or artificial high water mark such as O/AHWM including the approach, ramp, pier, dock, and all other floating or suspended structures that cover the lake surface, except for:~~

(3-18-22)()

~~i. Boat lifts as allowed pursuant to Paragraph 015.13.b.~~

(3-18-22)

~~ii. Jet ski ramp, port, or lift as allowed pursuant to Paragraph 015.13.b.~~

(3-18-22)

~~iii. Slip covers.~~

(3-18-22)

~~iv. Undecked portions of breakwaters.~~

(3-18-22)

~~b. Boat Lifts and Jet Ski Lifts.~~

(3-18-22)

~~i. Single-family docks are allowed a single one (1) boat lift and two (2) jet ski lifts, or two (2) boat lifts, without adding their footprint to the dock which are not included in calculating total square footage. Additional~~

lifts will ~~require that~~ include fifty percent (50%) of the ~~footprint square footage~~ of the largest lifts ~~be included in the~~ into calculating total allowable square footage ~~of the dock or pier~~ as per Subsection 015.01. (3-18-22)()

ii. Two-family docks are allowed either two (2) boat lifts and four (4) jet ski lifts, or four (4) boat lifts, ~~without adding their footprint to the dock which are not included in calculating total~~ square footage. Additional lifts will ~~require that~~ include fifty percent (50%) of the ~~footprint square footage~~ of the largest lifts ~~be included in the~~ allowable square footage of the dock or pier into calculating total allowable square footage as per Subsection 015.01. (3-18-22)()

iii. A boat lift or jet ski lift within lines drawn perpendicular from the shore to the outside dock edges will not require a separate permit if the lift is outside the ten (10) foot adjacent littoral owner setback, the lift does not extend beyond the line of navigability, and the lift does not count toward the square footage of the dock as outlined in Subparagraphs 015.13.b.i. and 015.13.b.ii. The permittee must send a revised permit drawing with the lift location as an application to the Department. If the lift meets the above conditions, the application will be approved as submitted. Future applications must include the lifts. (3-18-22)

iv. Community docks are allowed either one (1) boat lift or two (2) jet ski lifts per moorage. Boat lifts placed outside of a slip must be oriented with the long axis parallel to the dock ~~structure~~. Additional lifts will require that fifty percent (50%) of their footprint be included in the allowable square footage of the dock or pier as per Subsection 015.02. (3-18-22)()

c. Angle from Shoreline. (3-18-22)

i. Where feasible, all docks, piers, or similar structures must ~~be constructed so as to protrude as nearly as possible~~ protrude at right angles to the general shoreline, ~~lessening the potential for~~ as nearly as possible to minimize infringement on adjacent littoral rights. (3-18-22)()

ii. Where ~~it is not feasible to place docks at~~ right angles to the ~~general~~ shoreline ~~are not feasible~~, the Department will work with the applicant to ~~review and approve the applicant's proposed~~ design an acceptable alternative configuration and ~~location of the dock and the dock's~~ angle from shore. (3-18-22)()

d. Length of Community Docks and Commercial Navigational Encroachments. Docks, piers, or other ~~works encroachments~~ may extend ~~to a length that will provide as far as necessary to~~ access ~~to~~ a water depth that will afford sufficient draft for water craft ~~customarily in use on the particular body of water, except that no structure may extend beyond~~ within the normal accepted line of navigability ~~established through use unless additional length is authorized by permit or order of the Director. The Department may authorize a longer or shorter length if justified by specific site conditions.~~ If a ~~normally accepted~~ line of navigability has not been established through use, the ~~Director~~ Department may ~~from time to time as he deems necessary,~~ designate a line of navigability for the purpose of effective administration of these rules. (3-18-22)()

e. Presumed Adverse Effect. It will be presumed, subject to rebuttal, that single-family and two-family navigational encroachments will have an adverse effect upon adjacent littoral rights if located closer than ten (10) feet from adjacent littoral right lines, and that commercial navigational encroachments, community docks or nonnavigational encroachments will have ~~a like an~~ adverse effect upon adjacent littoral rights if located closer than twenty-five (25) feet to adjacent littoral right lines. Written consent of the adjacent littoral ~~owner or~~ owners will automatically rebut the presumption. All boat lifts and other structures attached to the encroachments are subject to the above presumptions of adverse ~~ae~~ effects. (3-18-22)()

f. Weather Conditions. Encroachments and their building materials must be designed and installed to withstand normally anticipated weather conditions in the area. Docks, piers, and similar structures must be adequately secured to pilings or anchors to prevent displacement due to ice, wind, and waves. Flotation devices ~~for docks, float homes, etc.~~ must be reasonably resistant to puncture and other damage. (3-18-22)()

g. Markers. If the Department determines that an encroachment is not of sufficient size to be readily seen or poses a hazard to navigation, the permit will specify ~~that aids to navigation be used~~ the use of ATONs to clearly identify the ~~potential~~ navigational hazard. (3-18-22)()

h. All encroachments that connect with upland sewer or septic systems must implement the following standards: ☐

i. The holding tank with pump or grinder unit must be adequately sealed to prevent material from escaping and to prevent lake water from entering. The tank lid must have a gasket or seal, and the lid must be securely fastened at all times unless the system is being repaired or maintained. An audible overflow alarm must also be installed. ☐

ii. Grinders or solids handling pumps must be used to move sewage from the encroachment to the upland system. ☐

iii. If solids handling pumps are used, they must have a minimum two (2) inch interior diameter discharge, and the pipe to the shoreline must also have a minimum two (2) inch interior diameter. Connectors used on either end of this pipe may not significantly reduce the interior diameter. ☐

iv. The pipeline to the shoreline must be a continuous line with no mechanical connections. Check valves and manual shutoff valves must be installed at each end of the line. Butt fused High-Density Polyethylene, two hundred (200) psi black polyethylene pipe, or materials with similar properties must be used. The pipeline must contain sufficient slack to account for the maximum expected rise and fall of the water level. The pipeline must be buried in the lakebed for freeze protection where it will be exposed during periods of low water. Pipelines on the bed of the lake must be appropriately located and anchored so they will not unduly interfere with navigation or other lake related uses. ☐

v. Manifolds below the O/AHWM that collect two (2) or more sewer lines and then route the discharge to the shore through a single pipe are not allowed. All encroachments must have an individual sewer line from the encroachment to a facility on the shore. ☐

vi. All permittees will have their encroachment inspected by a professional plumber licensed in the state of Idaho. The inspection will be documented with a report prepared by the inspector. The report will document whether or not the encroachment meets the standards in Paragraph 015.13.h. of these rules, and will be provided to the Department within thirty (30) days of any modification that impacts plumbing. ☐

i. All electrical work installed on encroachments must be done in accordance with IDAPA 24.39.10, as incorporated by reference in Section 003 of these rules. ☐

j. All plumbing work on encroachments must be done in accordance with IDAPA 24.39.20, as incorporated by reference in Section 003 of these rules. ☐

k. All encroachments beyond the O/AHWM mark must adhere to the safety standards set forth in IDAPA 18.08.01, as incorporated by reference in Section 003 of these rules. ☐

h. Overhead Clearance. (3-18-22)

i. Overhead clearance between the ~~natural or ordinary high water mark or the artificial high water mark, if there be one,~~ O/AHWM and the structure or wires must be sufficient to pass the largest vessel that may reasonably be anticipated to use the ~~subject~~ waters in the vicinity of the encroachment. ~~In no case will the clearance be required to exceed~~ The clearance must not exceed thirty (30) feet unless ~~after public hearing,~~ the Department determines ~~after public hearing~~ that ~~it a higher clearance is in the overall public interest that the clearance be in excess of thirty (30) feet. Irrespective of height above the water, approval of~~ necessary for the public's benefit. Approval of structures or wires presenting a ~~hazard for boating or other water related activities~~ navigational hazard may be conditioned upon ~~require~~ adequate safety marking to show clearance and ~~otherwise to~~ warn the public of the hazard, which will be specified. The Department will specify ~~in the permit~~ the amount of overhead clearance and markings required. (3-18-22) ☐

ii. When the permit provides for overhead clearance or safety markings under Paragraph 015.13.h., the Department will consider the applicable requirements of the United States Coast Guard, the Idaho Transportation Department, the Idaho Public Utilities Commission and any other applicable federal, state, or local ~~regulations~~ laws.

(3-18-22)()

im. Beaded Foam Flotation. Beaded foam flotation must be completely encased in a manner that will maintain the structural integrity of the foam. The encasement must be resistant to the entry of rodents. (3-18-22)

14. Floating Toys. (3-18-22)

a. Encroachment permits are not required for floating toys, except where noted in Paragraph 015.14.b. Counties and cities may regulate floating toys for public safety and related concerns. (3-18-22)

ba. A floating toy becomes a nonnavigational An encroachment, ~~and an encroachment~~ permit is required, ~~when one (1) of the following occurs:~~ for floating toys when they are anchored to the lakebed with an anchor that requires equipment for removal or when located waterward of the line of navigability for more than twenty-four (24) consecutive hours. (3-18-22)()

i. ~~It is anchored to the bed of the lake with a device that requires equipment to remove it from the bed of the lake, or;~~ (3-18-22)

ii. ~~It is located waterward of the line of navigability for more than twenty-four (24) consecutive hours.~~ (3-18-22)

15. Marine Motor Fuel Dispensing Facilities. ()

a. Any portion of a marine motor fuel dispensing facility located below the O/AHWM requires an encroachment permit. ()

16. Fill Material. ()

a. The placing of any dredged or fill material on or in the beds or waters of any navigable lake is an encroachment and requires a permit from the Department. ()

157. Lake Specific Encroachment Permit Terms. (3-18-22)

a. The Department may use encroachment permit conditions specific to individual ~~lakes~~ waterways if ~~the permit conditions are needed~~ necessary to protect public trust ~~values~~ resources and the permit condition is approved by the Land Board. (3-18-22)()

b. Lake specific encroachment permit conditions may supplement, negate, or alter encroachment standards established in Section 015 of these rules. (3-18-22)

c. Lake specific encroachment permit conditions will be used to assist with implementing lake management plans authorized by Title 39, Chapter 66, Idaho Code; Title 39, Chapter 85, Idaho Code; Title 67, Chapter 43, Idaho Code; and Title 70, Chapter 2, Idaho Code. ~~The purpose for using such lake specific permit conditions is to address lake specific environmental concerns that require attention and create a need for a variance from what is allowed on other lakes.~~ (3-18-22)()

d. Lake specific encroachment permit terms may be read at the Idaho Department of Lands website: <https://www.idl.idaho.gov/>. (3-18-22)()

16. -- 019. (RESERVED)

20. APPLICATIONS.

01. Encroachment Applications. No ~~person shall hereafter make or cause to be made any~~ encroachments on, in or above the beds or waters of any navigable lake in the state of Idaho are allowed without first making application to and receiving ~~written approval~~ an encroachment permit from the ~~d~~Department. ~~The placing of dredged or fill material, refuse or waste matter intended as or becoming fill material, on or in the beds or waters of~~

any navigable lake in the state of Idaho shall be considered an encroachment and written approval by the department is required. If demolition is required prior to construction of the proposed encroachment, then the application must describe the include a description of any demolition activities and the steps that will be taken to protect water quality and other public trust values. No demolition activities may proceed until the permit is issued. (3-18-22)()

02. Signature Requirement. Only persons who are littoral owners or lessees of a littoral owner shall be eligible to apply for encroachment permits. A person who has been specifically granted littoral rights or dock rights from a littoral owner shall is also be eligible for an encroachment permit; the grantor of such these littoral rights, however, shall are no longer be eligible to apply for an encroachment permit. Except for waterlines or utility lines, the possession of an easement to the shoreline does not qualify a person to be eligible for an encroachment permit. (3-18-22)()

03. Other Permits. Nothing in these rules shall excuse a A person seeking to make an encroachment from obtaining must also obtain any additional approvals lawfully required by federal, local or other state agencies. (3-18-22)()

04. Repairs, Reinstallation of Structures. No permit is required to clean, maintain, or repair an existing permitted encroachment, but a permit is required to completely replace, enlarge, or extend an existing encroachment. Replacement of single-family and two-family docks may will not require a permit if they meet the criteria in Section 58-1305(e), Idaho Code the replacement is within current standards as provided in Idaho Code § 58-1305(e). Reinstalling Replacing the top or decking of a dock, wharf or similar structure shall be an encroachment is considered a repair; reinstallation. Replacement of winter damaged or wind and water damaged of wind or water damaged pilings, docks, or floats logs shall be is considered a repair. Repairs, or replacements under Section 58-1305(e), Idaho Code, Any repair or replacement that adversely affects the bed of the lake will be considered is a violation of these rules. (3-18-22)()

05. Dock Reconfiguration. (3-18-22)

a. ~~Rearrangement~~Reconfiguration or rearrangement of single-family and two-family docks will require a new application for an encroachment permit. (3-18-22)()

b. ~~Reconfiguration or Rearrangement~~ of community docks and commercial navigational encroachments may not require a new application for an encroachment permit if the changes are only internal and navigational. The dDepartment shall must be consulted prior to commencement of modifications being made, and shall use will consider the following criteria to help determine if a new permit must be submitted is required: (3-18-22)()

i. Overall footprint does not change in dimension or orientation; (3-18-22)

ii. No increase in the square footage, as described in the existing permit and in accordance with Paragraph 015.13.a, occurs. This only applies to community docks; (3-18-22)()

iii. The entrances and exits of the facility encroachment do not change.; (3-18-22)()

iv. The number of slips does not change. ()

06. RedredgingDredging. Redredging A permit is required before dredging or redredging a channel or basin shall be considered a new encroachment and a permit is required unless redredging is specifically authorized by the outstanding an existing permit. Water quality certification from the Idaho Department of Environmental Quality is required regardless of how redredging is addressed in any existing or future permit. (3-18-22)()

07. Forms, Filing. Applications and plans shall must be filed on forms provided by the Department together with filing fees and costs of publication when required by these rules. Costs of preparation of incurred to prepare the application, including all necessary maps and drawings, shall must be paid by the applicant. (3-18-22)()

a. Plans shall must include detailed information to demonstrate compliance with the applicable standards of

these rules, and the following information at a scale sufficient to show the information requested: (3-18-22)()

i. Lakebed profile in relationship to the proposed encroachment. The lakebed profile ~~shall show~~ must clearly depict the ~~summer and winter water levels~~ O/AHWM, the line of navigability, and the low water mark. (3-18-22)()

ii. Copy of most recent survey or county plat showing the full extent of the applicant's ~~lot~~ upland parcel and the adjacent ~~littoral lots~~ upland parcels. (3-18-22)()

iii. Proof of current ownership or control of ~~littoral~~ upland property or littoral rights. (3-18-22)()

iv. ~~A general vicinity map~~ Scaled maps accurately depicting the location of all encroachments and their dimensions. (3-18-22)()

v. Scaled air photos or maps ~~showing~~ accurately depicting the lengths of adjacent docks as an indication of the line of navigability, distances to adjacent encroachments, distance to littoral lines, and the location and orientation of the proposed encroachment in the lake. (3-18-22)()

vi. Total square footage of proposed docks and other structures, excluding pilings, that cover the lake surface. (3-18-22)

vii. Names and current mailing addresses of adjacent littoral landowners. (3-18-22)

viii. Plans submitted for enclosed encroachments must accurately depict all interior and exterior features. Public, commercial, and residential encroachments may require engineered plans approved by a professional engineer licensed in the state of Idaho. ()

b. Applications must be submitted or approved by the littoral owner or, if the encroachment will lie over or upon private lands between the ~~natural or ordinary high water mark~~ OHWL and the ~~artificial high water mark~~ AHWM, the application must be submitted or approved by the owner of ~~such those~~ lands. When the littoral owner is not the applicant, the application ~~shall~~ must bear the owner's signature as approving the encroachment prior to filing. (3-18-22)()

c. If more than one (1) littoral owner exists, the application must bear the signature of all littoral owners, or the signature of an authorized officer of an entity or a designated homeowner's or property management association. (3-18-22)()

d. Applications for noncommercial ~~encroachments intended to improve waterways for navigation~~ ATONs, wildlife habitat, and ~~other~~ recreational uses by members of the public must be filed by any municipality, county, state, or federal agency, or other entity empowered to make ~~such those~~ improvements. Application fees are not required for these encroachments. (3-18-22)()

e. The following applications ~~shall~~ must be accompanied by the respective nonrefundable filing fees together with a deposit toward the cost of newspaper publication, which ~~deposit shall~~ will be determined by the ~~director~~ Department at the time of filing: (3-18-22)()

i. Nonnavigational encroachments require a fee of one thousand dollars (\$1,000); except that nonnavigational encroachments for bank stabilization and erosion control require a fee of five hundred fifty dollars (\$550). (3-18-22)

ii. Commercial navigational encroachments require a ~~base~~ fee of two thousand dollars (\$2,000). If the costs of processing an application exceed this amount, then the applicant may be charged additional costs as allowed by Title 58, Chapter 13, Section Idaho Code 58-1307, Idaho Code; (3-18-22)()

iii. Community navigational encroachments require a fee of two thousand dollars (\$2,000); and (3-18-22)

iv. Navigational encroachments extending beyond the line of navigability require a fee of one thousand dollars (\$1,000). (3-18-22)

f. Applicants ~~shall~~ must pay any balance due ~~on publication costs~~ before written approval will be issued. The Department ~~shall~~ will refund ~~any excess at or before final action on the application~~ any publication costs if the notice is not published. (3-18-22)()

g. Application for a single-family or two-family dock not extending beyond the line of navigability or a nonnavigational encroachment for a buried or submerged water ~~intake~~ line serving four or less households ~~shall~~ must be accompanied by a nonrefundable ~~filing~~ fee of four hundred twenty-five dollars (\$425). (3-18-22)()

h. No publication cost is required for applications ~~s~~ for noncommercial navigational encroachments ~~s~~ not extending beyond the line of navigability or for application for installation of buried or submerged water ~~intake~~ lines and utility lines. (3-18-22)()

i. Applications and plans ~~shall~~ must be stamped with the date ~~of filing received by the Department.~~ (3-18-22)()

j. Applications that are incomplete, not in the proper form, not containing the required signature(s), or not accompanied by filing fees and costs of publication ~~when required, shall~~ will not be accepted for filing. The ~~d~~Department ~~shall~~ will send the applicant a written notice of incompleteness with a listing of the application's deficiencies. The applicant will be given thirty (30) days from receipt of the notice of incompleteness to resubmit the required information. The deadline may be extended with written consent of the ~~d~~Department. If the given deadline is not met, the ~~d~~Department will notify the applicant that the application has been denied due to lack of sufficient information. The applicant may reapply at a later date, but will be required to pay another filing fee and publication fee, if applicable. (3-18-22)()

21. -- 024. (RESERVED)

25. PROCESSING OF APPLICATIONS FOR SINGLE-FAMILY AND TWO-FAMILY NAVIGATIONAL ENCROACHMENTS ~~WITHIN LINE OF NAVIGABILITY.~~

01. **Single-Family and Two-Family Navigational Encroachments.** Applications for single-family and two-family navigational encroachments not extending beyond the line of navigability will be processed with a minimum of procedural requirements and ~~shall~~ will not be denied except in the most unusual of circumstances. ~~No newspaper publication, formal appearance by the applicant, or hearing is contemplated.~~ (3-18-22)()

02. **Notification of Adjacent Littoral Owners.** The ~~d~~Department will provide a copy of the application to the littoral owners ~~immediately~~ adjacent to the applicant's property. If the applicant owns one (1) or more adjacent lots, the ~~d~~Department ~~shall~~ will notify the owner of the next adjacent lot. If the proposed encroachment may infringe upon the littoral rights of an adjacent owner, the ~~d~~Department will provide notice of the application by certified mail, return receipt requested; otherwise, the notice will be sent by regular mail. Notification will be mailed to the adjacent littoral owners' usual place of address, which, if not known, will be the address shown on the records of the county treasurer or assessor. The applicant may submit the adjacent littoral owners' signatures, consenting to the proposed encroachment, in lieu of the ~~d~~Department's notification. (3-18-22)()

03. **Written Objections.** (3-18-22)

a. If an adjacent littoral owner files written objections to the application with the ~~d~~Department within ten (10) days from the date of service or receipt of notice of ~~the completed~~ application, the ~~d~~Department ~~shall fix a time and a place for~~ will schedule a hearing. In computing the time to object, the day of service or receipt of notice of the application ~~shall~~ will not be counted. Objections must be received by the Department within the ten (10) day period ~~by mail or hand delivery in the local department office or the director's office in Boise.~~ If the last day of the period is Saturday, Sunday or a legal holiday, the time within which to object ~~shall~~ will run until the end of the first business day thereafter. (3-18-22)()

b. The applicant and any objectors may agree to changes in the ~~permit~~ proposed encroachment that

result in the objections being withdrawn. Department employees may facilitate ~~any such~~ this agreement. Participation by ~~d~~Department personnel in this informal mediation ~~shall~~ will not constitute a conflict of interest for participation in the hearing process. A withdrawal of objections must be in writing, completed prior to a scheduled hearing, and contain: (3-18-22)()

- i. Signatures of the applicant and the objecting party; (3-18-22)
- ii. A description of the changes or clarifications to the permit that are acceptable to the applicant, the objecting party, and the ~~d~~Department. (3-18-22)()

04. Unusual Circumstances. Even though no objection is filed by an adjacent littoral owner to a noncommercial navigational encroachment, ~~if the dDirector deems it advisable~~ may require a hearing because of the existence of unusual circumstances, ~~he may require a hearing.~~ (3-18-22)()

05. Hearings. Hearings ~~fixed set~~ by the ~~d~~Director following an objection ~~pursuant to Subsection 025.03 or the Director's own determination pursuant to Subsection 025.04 shall be fixed as to time and place, but no later than sixty (60) days from date of acceptance for filing of the application~~ will be held within sixty (60) days from the date the application is accepted. At the hearing, ~~the Department~~ the applicant and any adjacent ~~riparian littoral~~ owner filing timely objections may appear personally or through an authorized representative and present evidence. ~~The department may also appear and present evidence at the hearing. In such hearings the~~ The Director will designate a hearing coordinator shall officer who will act as a fact finder and not a party. ~~The Director, at his discretion, will designate a Department representative to sit as the hearing coordinator.~~ Provided, however, that the parties may agree to informal disposition of an application by stipulation, agreed settlement, consent order, or other informal means. (3-18-22)()

06. Decision Following a Hearing. The ~~d~~Director ~~shall will~~, within forty-five (45) days after close of the hearing provided for in Subsections 025.03 or 025.04 render a final decision ~~and give notice thereof~~ to the parties appearing before him ~~either personally or by certified or registered mail. The final decision shall be in writing.~~ (3-18-22)()

07. Disposition Without Hearing. If a hearing is not held under Subsection 025.03 or Subsection 025.04, then the ~~d~~Department ~~shall will~~ act upon a complete application ~~filed under Subsection 025.01~~ as expeditiously as possible but no later than sixty (60) days from acceptance of the application. Failure to act within this sixty (60) day timeframe ~~shall will~~ constitute approval of the application. Applications determined to be incomplete under Subsection 020.07 are not subject to the sixty (60) day timeframe until the information requested by the ~~d~~Department and required by the rules has been submitted. (3-18-22)()

08. Judicial Review. Any applicant aggrieved by the Director's final ~~decision order~~, or an aggrieved party appearing at a hearing, ~~shall may~~ have a right to have the proceedings and final ~~decision order~~ reviewed by the district court in the county where the encroachment is proposed by filing a notice of appeal within thirty (30) days from the date of the final ~~decision order~~. An ~~adjacent littoral owner shall~~ objector will be required to deposit an appeal bond with the court, in an amount to be determined by the court but not less than five hundred dollars (\$500) insuring payment to the applicant of damages caused by delay and costs and expenses, including reasonable attorney fees, incurred on the appeal in the event the district court sustains the action of the ~~d~~Director. The applicant need post no bond with the court to prosecute an appeal. (3-18-22)()

26. -- 029. (RESERVED)

30. PROCESSING OF APPLICATIONS FOR ALL OTHER TYPES OF ENCROACHMENTS.

01. Nonnavigational, Community, and Commercial Navigational Encroachments. Within ten (10) days of receiving a complete application for a nonnavigational encroachment, a community dock, a commercial navigational encroachment, or a navigational encroachment extending beyond the line of navigability, the Department will ~~cause to be published~~ a notice of application once a week for two (2) consecutive weeks in a newspaper of general circulation in the county in which the encroachment is proposed. If, however, the Director orders a public hearing on the application within the time for publication of the above notice, the Department will dispense with publication of the notice of the application and proceed instead to publish a notice of the public hearing

as provided in Subsection 030.05. Applications for installation of buried or submerged water ~~intake~~ lines and utility lines are exempt from the newspaper publication process. (3-18-22)()

02. Encroachments Not in Aid of Navigation. Encroachments not in aid of navigation ~~in navigable lakes~~ will normally not be approved by the Department ~~and will be considered only except~~ in cases involving major environmental, economic, or social benefits ~~to the general public that exceed the detrimental effects of the proposed encroachment to public trust values and adjacent real property, if any.~~ Approval under these circumstances is authorized only when consistent with the public trust doctrine and when there is no other feasible alternative with less impact on public trust values. (3-18-22)()

03. Notifications. ~~Upon request or when the Department deems it appropriate, t~~ The Department may ~~furnish~~ provide copies of the application and plans to federal, state and local agencies and to adjacent littoral owners, requesting comment on the likely effect of the proposed encroachment upon adjacent littoral property and public trust values such as navigation, fish and wildlife habitat, aquatic life, recreation, aesthetic beauty, water quality, etc. (3-18-22)()

04. Written Comments or Objections. Within thirty (30) days of the first date of publication, an agency, adjacent littoral owner ~~or lessee~~, or any resident of the state of Idaho may do one (1) of the following: (3-18-22)()

a. Notify the Department of their opinions and recommendation, if any, for alternate plans they believe will be economically feasible and will accomplish the purpose of the proposed encroachment without unreasonably adversely affecting adjacent littoral property or public trust values; or (3-18-22)

b. File with the Department written objections to the proposed encroachment and request a public hearing on the application. ~~The hearing must be specifically requested in writing.~~ Any person or agency requesting a public hearing on the application must deposit and pay to the Department an amount sufficient to cover the cost of publishing notice of hearing provided in Subsection 030.05. (3-18-22)()

05. Public Hearing. ~~The Department will publish~~ Nnotice of the time and place of public hearing on the application ~~will be published by the Director~~ once a week for two (2) consecutive weeks in a newspaper in the county in which the encroachment is proposed, ~~which.~~ The public hearing will be held within ninety (90) days from the date the application is accepted for filing. (3-18-22)()

06. Hearing Participants. Any person may appear at the public hearing and present oral testimony. ~~Written comments will also be received by the Department~~ Persons may also submit written comments to the Department. (3-18-22)()

07. Decision After Hearing. The Director will render a final decision and order within thirty (30) days after close of the public hearing. A copy of ~~his the~~ final decision order will be mailed to the applicant and to each person or agency appearing at the hearing and giving oral or written testimony ~~in support of or in opposition to the proposed encroachment.~~ (3-18-22)()

08. Decision Where No Hearing. (3-18-22)

a. ~~In the event~~ If no objection to the proposed encroachment is filed with the Department and no public hearing is requested ~~under Subsection 030.04, or ordered by the Director under Subsection 030.01,~~ the Department, will issue a final decision and order based upon its investigation and ~~considering~~ consideration the economics of the navigational necessity, justification or benefit, public or private, of ~~such the~~ proposed encroachment as well as its detrimental effects, if any, upon adjacent real property and public trust values such as navigation, fish and wildlife habitat, aquatic life, recreation, aesthetic beauty, water quality, etc. ~~will prepare and forward to the applicant its decision.~~ (3-18-22)()

b. The applicant, if dissatisfied with the Director's decision, has twenty (20) days from the date of the Director's decision to request reconsideration thereof. If reconsideration is ~~required~~ granted, the Director will set a time and place for a reconsideration hearing, not to exceed thirty (30) days from receipt of the request, at which time and place the applicant may appear in person or through an authorized representative and present briefing and oral

argument. Upon conclusion of reconsideration, the Director will, by personal service or by registered or certified mail, notify the applicant of ~~his~~ the final decision. (3-18-22)()

09. **Judicial Review.** Any applicant or party aggrieved by the Director's final ~~decision, or an aggrieved party who appeared at a hearing order~~, has the right to ~~have the proceedings and~~ judicial review of the final decision of the Director reviewed order by the district court in the county in which the encroachment is proposed by filing a notice of appeal within thirty (30) days from the date of the final ~~decision~~ order. The applicant need post no bond with the court to prosecute an appeal. Any other aggrieved party is required to deposit an appeal bond with the court, in an amount to be determined by the court but not less than five hundred dollars (\$500), insuring payment to the applicant of damages caused by delay and costs and expenses, including reasonable attorney fees, incurred on the appeal in the event the district court sustains the action of the Director. (3-18-22)()

10. **Factors in Decision.** In recognition of continuing private property ownership of lands lying between the ~~natural or ordinary high water mark~~ OHW and the ~~artificial high water mark~~ AHW, if present, the Department will consider unreasonable adverse effect upon adjacent property and undue interference with navigation the most important factors to be considered in granting or denying an application for either a nonnavigational encroachment or a commercial navigational encroachment not extending below the ~~natural or ordinary high water mark~~ OHW. If no objections have been filed to the application and no public hearing has been requested or ordered by the Director, or, if upon reconsideration of a decision disallowing a permit, or following a public hearing, the Department determines that the benefits, whether public or private, to be derived from allowing ~~such the~~ encroachment exceed its detrimental effects, the permit will be granted. (3-18-22)()

31. -- 034. (RESERVED)

35. TEMPORARY PERMITS.

01. **Applicability.** Temporary permits ~~are used~~ may be issued for construction, demolition, temporary activities related to permitted encroachments, or other activities approved by the Department. (3-18-22)()

02. **Permit Term.** ~~These Temporary~~ permits are generally issued for less than one (1) year, but longer terms may be approved by the Department and permits may be extended with Department approval. (3-18-22)()

03. **Bonding.** The Department may require ~~bonds~~ bonding for temporary permits. (3-18-22)()

04. **Fee.** The ~~b~~Board sets fees for temporary permits, but the fees will not be greater than the amounts listed for the respective permit types in Subsection 020.07. Fee information is available ~~on the Internet~~ at www.idl.idaho.gov. (3-18-22)()

05. **Processing.** ~~These Temporary~~ permits may be advertised if the Department deems it appropriate, with the applicant paying the advertising fee as per Subsection 020.07. (3-18-22)()

36. -- ~~049.~~ (RESERVED)

~~50.~~ RECORDATION.

~~Recordation of an issued permit in the records of the county in which an encroachment is located is a condition of issuance of a permit and proof of recordation must be furnished to the Department by the permittee before a permit becomes valid. Such recordation is at the expense of the permittee. Recordation of an issued permit serves only to provide constructive notice of the permit to the public and subsequent purchasers and mortgagees, but conveys no other right, title, or interest on the permittee other than validation of said permit.~~ (3-18-22)

~~51.~~ 054. (RESERVED)

55. LEASES AND EASEMENTS.

01. **Lease or Easement Required.** As a condition of the encroachment permit, the Department may require a submerged land lease or easement for use of any part of the state-owned bed of the lake where ~~such lease or easement is~~ required in accordance with ~~"Rules Governing Leases on State-owned Submerged Lands and Formerly~~

~~Submerged Lands,” IDAPA 20.03.17, or “Rules For Easements On State-owned Submerged Lands And Formerly Submerged Lands,” IDAPA 20.03.09. A lease or easement may be required for uses including, but not limited to, commercial uses.~~ Construction of an encroachment authorized by permit ~~without first~~ **before** obtaining the required lease or easement constitutes a trespass ~~upon state-owned public trust lands~~. This rule is intended to grant the state recompense for the use of the state-owned bed of a navigable lake where reasonable and it is not intended that the Department withhold or refuse to grant ~~such a~~ lease or easement if in all other respects the proposed encroachment would be permitted. (3-18-22)()

02. Seawalls, Breakwaters, Quays Fill. Seawalls, breakwaters, and ~~quays fill~~ on or over state-owned beds, designed primarily to create additional land surface, will **only** be authorized ~~if at all~~, by an encroachment permit and submerged land lease or easement, upon ~~determination approval~~ by the Department ~~to be an appropriate use of submerged lands~~. (3-18-22)()

56. -- 059. (RESERVED)

60. INSTALLATION.

01. Installation Only After Permit Issued. Installation or ~~on-site~~ construction of an encroachment may commence only when the permit is issued ~~or~~, when the ~~d~~Department notifies the applicant in writing that installation may ~~be commenced~~, or when the ~~d~~Department has failed to act in accordance with Subsection 025.07. (3-18-22)()

02. Removal of Construction Waste. (3-18-22)

a. Pilings, anchors, old docks, and other structures or waste at the site of the installation or reinstallation and not used as a part of the encroachment ~~shall~~ **must** be removed from the water and lakebed at the time of the installation or reinstallation to a point above ~~normal flood water levels; provided, however, that this shall not be construed to prevent the use of trash booms for the temporary control of floatable piling ends and other floatable materials in a securely maintained trash boom, but approval for a trash boom shall be required as part of a permit the O/AHWM.~~ (3-18-22)()

b. Demolition of encroachments ~~shall~~ **will** be done in a manner that does not unnecessarily damage the lakebed or shoreline. Demolition work must comply with water quality standards administered by the Department of Environmental Quality. (3-18-22)()

03. Compliance with Permit. All work ~~shall~~ **must** be done in accordance with these rules, and the application submitted, and is subject to any condition specified in the permit. (3-18-22)()

04. Sunset Clause. All activities authorized within the scope of the encroachment permit must be completed within three (3) years of issuance date. If the activities are not completed within three (3) years, the permit ~~shall~~ **will** automatically expire unless it was previously revoked or extended by the ~~d~~Department. The ~~d~~Department may issue a permit with an initial sunset clause that exceeds three (3) years, if the need is demonstrated by the applicant. (3-18-22)()

61. -- 064. (RESERVED)

65. ASSIGNMENTS.

01. Assignment of Encroachment Permit Assignment. Encroachment permits may be assigned ~~upon approval of the department provided that only if the permitted the encroachments conforms with the approved permits. The assignor and assignee must complete a department assignment form and forward it to the appropriate area office~~ **Assignment**. ~~An assignment is not valid until it is approved by the Department.~~ (3-18-22)()

02. Assignment Application Fee. The ~~assignment fee is~~ **assignor and assignee must complete a Department assignment form and submit along with the** three hundred dollars (\$300) ~~and is due at the time the assignment is submitted~~ **assignment fee** to the ~~d~~Department. (3-18-22)()

03. Approval Required for Assignment. ~~An assignment is not valid until it has been approved by the department.~~ (3-18-22)

43. Assignment With New Permit. Encroachments not in compliance with the approved permit may be assigned only if: (3-18-22)

a. An application for a new permit to correct the noncompliance is submitted at the same time. (3-18-22)

b. The assignee submits written consent to bring the encroachment ~~permit~~ into compliance. (3-18-22)()

66. -- 069. (RESERVED)

70. MISCELLANEOUS.

01. Water Resources Permit. A permit to alter a navigable stream issued by the Department of Water Resources pursuant to [Title 42, Chapter 38](#), Idaho Code, may, in appropriate circumstances, contain language stating the approval of the Department of Lands to occupy the state-owned bed of the navigable stream. (3-18-22)

02. Dredge and Placer Mining. Department authorization is required for dredge and placer mining in the lands, lakes and rivers within the state, whether or not the state owns the beds, pursuant to [Title 47, Chapter 13](#), Idaho Code. (3-18-22)

03. Mineral Leases. Littoral rights do not include any right to remove bed materials from state-owned lakebeds. Applications to lease minerals, oil, gas and hydrocarbons, and geothermal resources within the state-owned beds of navigable lakes will be processed by the Department pursuant to [Title 47, Chapters 7, 8 and 16](#), Idaho Code, and rules promulgated thereunder. (3-18-22)

04. Other Laws and Rules. The permittee must ~~comply with~~ [follow](#) all other applicable state, federal and local rules and laws insofar as they affect the use of public trust resources. (3-18-22)()

71. -- 079. (RESERVED)

80. VIOLATIONS - PENALTIES.

01. Cease and Desist Order. ~~When the Department determines that a violation of these rules is occurring due to the~~ [Ongoing construction of an unauthorized encroachment or an unauthorized modification of a permitted encroachment, it may provide the](#) [is considered a violation of these rules. The Department will serve the](#) landowner, contractor, or permittee ~~with a written cease~~ [a cease](#) and desist order that ~~consists of~~ [contains](#) a short and plain statement ~~of what the violation is,~~ [describing the violation](#), the pertinent legal authority, and how the violation may be rectified. This order will be served by personal service or certified mail. The cease and desist order ~~is used to~~ [will require the permittee to](#) maintain the status quo pending formal proceedings by the Department to rectify the violation. (3-18-22)()

02. Notice of Noncompliance/Proposed Permit Revocation. When the Department determines that these rules have been violated, a cause exists for revocation of a lake encroachment permit, or both of these have occurred, it will provide the permittee or offending person with a notice of noncompliance/proposed permit revocation that consists of a short and plain statement of the violation including any pertinent legal authority. This notice also informs the permittee or offending person of what steps are needed to either bring the encroachment into compliance, if possible, ~~or avoid revocation, or both.~~ (3-18-22)()

03. Noncompliance Resolution. The Department will attempt to resolve all noncompliance issues through conference with the permittee or other involved party. Any period set by the parties for correction of a violation is binding. If the Department is unsuccessful in resolving the violations, then the Department may pursue other remedies under Section 080 of these rules. (3-18-22)

04. Violations. The following acts or omissions subject a person to a civil penalty as allowed by Title 58, Chapter 13, Section 58-1308, Idaho Code: (3-18-22)

a. A violation of ~~the provisions of~~ Title 58, Chapter 13, Idaho Code, or of the rules and general orders adopted and applicable to navigable lakes; (3-18-22)()

b. A violation of any special order of the Director applicable to a navigable lake; or (3-18-22)

c. Refusal to cease and desist from any violation ~~in regards to a navigable lake~~ after having received a written cease and desist order from the Department by personal service or certified mail, within the time provided in the notice, or within thirty (30) days of service of ~~such the~~ notice if no time is provided. (3-18-22)()

d. Willfully and knowingly falsifying any records, plans, information, or other data ~~required by these rules provided to the Department.~~ (3-18-22)()

e. Violating the terms of an encroachment permit. (3-18-22)

05. Injunctions, Damages. The Board expressly reserves the right, through the Director, to seek injunctive relief under Title 58, Chapter 13, Section 58-1308, Idaho Code and mitigation of damages under Title 58, Chapter 13, Section 58-1309, Idaho Code, in addition to the civil penalties provided for in Subsection 080.04 of these rules. (3-18-22)

06. Mitigation, Restoration. The ~~b~~Board expressly reserves the right, through the Director, to require mitigation and restoration of damages under Title 58, Chapter 13, Section 58-1309, Idaho Code, in addition to the civil penalties and injunctive relief provided for in Subsections 080.04 and 080.05 of these rules. The Department may consult with other ~~state~~ agencies to determine the appropriate type and amount of mitigation and restoration ~~required.~~ (3-18-22)()

07. Revocation of Lake Encroachment Permits. (3-18-22)

a. The Department may institute an administrative action to revoke a lake encroachment permit for violation of the conditions of a permit, or for any other reason authorized by law. ~~All such~~ These proceedings will be conducted as contested case hearings subject to ~~the provisions of Title 67, Chapter 52, Idaho Code, and IDAPA 20.01.01, "Rules of Practice and Procedure before the State Board of Land Commissioners."~~ (3-18-22)()

b. A hearing officer appointed to conduct the revocation hearing prepares recommended findings of fact and conclusions of law and ~~forward~~ sends them to the Director for final adoption or rejection. (3-18-22)()

c. An aggrieved party who appeared and testified at a hearing has the right to have the proceedings and final decision of the Director reviewed by the district court of the county in which the violation or revocation occurred by filing a notice of appeal within twenty-eight (28) days from the date of the final decision. (3-18-22)

81. -- 999. (RESERVED)

IDAPA 20 – IDAHO DEPARTMENT OF LANDS

20.03.04 - RULES FOR THE REGULATION OF BEDS, WATERS, AND AIRSPACE OVER NAVIGABLE LAKES IN THE STATE OF IDAHO

DOCKET NO. 20-0304-2401

NOTICE OF RULEMAKING - ADOPTION OF PENDING RULE

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2026 Idaho State Legislature and must be approved by concurrent resolution of the Legislature to go into effect, in accordance with Section 67-5224(2)(c), Idaho Code. Should the pending rule be approved, it will become final and effective on July 1 following the Second Regular Session of the Sixty-eighth Idaho Legislature, unless the concurrent resolution states a different effective date.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending rule. The action is authorized pursuant to Section(s) 58-1304 and 58-104(6), Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending rule and a statement of any change between the text of the proposed rule and the text of the pending rule with an explanation of the reasons for the change:

Changes to the proposed rule are based on comments received and are simple grammatical changes for consistency, clarifying the definition of a commercial marina, and ensuring sentences have correct syntax.

The text of the pending rule has been amended in accordance with Section 67-5227, Idaho Code. Only those sections that have changes that differ from the proposed text are printed in this bulletin. The complete text of the proposed rule was published in the September 3, 2025, Idaho Administrative Bulletin, Vol. 25-9, pages 33-55.

FEE SUMMARY: Pursuant to Section 67-5224(2)(d), Idaho Code, a pending fee rule shall not become final and effective unless affirmatively approved by concurrent resolution of the Legislature. The following is a description of the fee or charge imposed or increased in this rulemaking:

No new fees will be imposed or increased in this rulemaking.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year:

This rule will have no fiscal impact on the state general fund.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending rule, contact Marde Mensinger at (208) 334-0248.

DATED this November 18, 2025.

Marde Mensinger, Navigable Waterways Program Manager
Idaho Department of Lands
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STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Regular Agenda

Subject

Annual Review of Statement of Investment Policy

Question Presented

Shall the Land Board approve the revised Statement of Investment Policy for the combined Endowment assets?

Background

In November 2014, the State Board of Land Commissioners (Land Board) accepted the Asset Allocation and Governance Review from Callan Associates (Callan). The report included a recommendation to develop:

A comprehensive Investment Policy Statement...for the combined Trust that identifies the investment objectives, risk management processes, risk tolerance (including connecting the risk taken in the asset allocation with that expressed in the distribution policy), the adopted asset allocation and rebalancing ranges, decision-making and the roles of each party involved in the investment process, how performance will be monitored and measured for each asset type, and the establishment of appropriate metrics and peer groups where relevant for both the land and financial assets.

Callan, working with the Idaho Department of Lands (Department) and the Endowment Fund Investment Board (EFIB), developed a Statement of Investment Policy for the combined Endowment assets, which was approved by the Land Board at the May 17, 2016 meeting. The Statement of Investment Policy and appendices are subject to annual review and approval by the Land Board's Investment Subcommittee and the Land Board.

Discussion

The Department worked with EFIB and Callan to review and revise the Statement of Investment Policy and appendices (Attachments 1 and 2), previously approved at the December 17, 2024, Land Board meeting, to make corrections, align with current practices, and provide clarity. The following items were among the revisions and updates:

- Asset class valuations and percentages of total portfolio as of June 30, 2025.
- Increase in combined trust valuation of \$366 million.
- Minor revisions to text throughout the document to provide clarity, reduce repetitiveness, or make corrections.

The changes to the Statement of Investment Policy were approved by the Investment Subcommittee (Tom Wilford, Chris Anton, Dustin Miller) on November 7, 2025.

Recommendation

Approve the revised Statement of Investment Policy.

Board Action

Attachments

1. Statement of Investment Policy—redline
2. Statement of Investment Policy—clean

Statement of Investment Policy

Idaho Land Grant Endowments

As overseen by the:

Idaho Board of Land Commissioners



INCLUDES FUNDS MANAGED BY THE ENDOWMENT FUND INVESTMENT BOARD



INCLUDES LAND MANAGED BY THE IDAHO DEPARTMENT OF LANDS

~~December 17, 2024~~ November 18, 2025

This Statement of Investment Policy was initially published May 17, 2016 and is updated annually.

Table of Contents

I.	Introduction.....	1
II.	Purpose.....	1
III.	Constitutional and Statutory Requirements	1
	A. Land Board.....	1
	B. Sole Interest of the Beneficiaries	2
	C. Prudent Investments and Fiduciary Duties	2
	D. Sales, Exchanges, and the Land Bank	2
	E. Other Constitutional Requirements and Statutes.....	3
IV.	Investment Goals.....	3
	A. General Objective.....	3
	B. Considerations.....	3
	C. Investment Return Objective	4
	D. Distribution Policy	4
V.	Investment Risk and Strategic Asset Allocation	4
	A. Asset Class Diversification Asset Classes.....	4
	B. Review of Asset Classes and Asset Allocation	4
	C. Strategic Asset Allocation.....	5
	D. Strategic Policies.....	6
VI.	Investment Governance Structure	6
	A. Land Board Responsibility	6
	B. Investment Governance and Investment Policy for the Financial Assets	9
	C. Investment Governance for Land Assets.....	10
	D. Role of the Legislature.....	12
VII.	Asset Class Policies for Land Assets.....	12
	A. Investment Objective for the Land Assets	12
	B. Key Elements of the Land Strategy.....	13
	C. Timberland	14
	D. Rangeland	16
	E. Residential Real Estate	18
	F. Farmland.....	19
	G. Idaho Commercial Real Estate.....	21
	H. Minerals/Oil & Gas	22

I.	Reclassification of Lands.....	23
J.	Land Bank	25
VIII.	Distribution Policy	26
A.	Objectives	26
B.	Considerations.....	26
C.	Policy Description	27
IX.	Monitoring and Reporting.....	27
A.	Philosophy	27
B.	Deviation from Policies.....	28
C.	Financial Assets	28
D.	Land Assets	29
E.	Total Endowment	30
X.	Key Documents.....	31
XI.	Appendices:	32
A.	Structure of the Endowment.....	33
B.	Constitution and State Statutes	34
C.	EFIB Investment Policy	35
D.	Use of External Advisors.....	43
E.	Decision-Making Structure Chart	44
F.	EFIB’s Distribution Principles.....	45

I. Introduction

The State Board of Land Commissioners (Land Board) hereby establishes this Statement of Investment Policy (Statement) for the investment and management of the land grant endowment assets (Endowment Assets or Endowment) of the State of Idaho. ~~The Endowment~~ Endowment Assets were created by The Idaho Admissions Act in 1889 which granted the new state approximately 3,600,000 acres of land for the sole purpose of funding fourteen specified beneficiaries including nine different trusts or endowments.

This Statement provides policies for the investment and management of financial and land assets which together comprise the Endowment Assets. Financial Assets consist primarily of the invested revenues from the endowment lands (collectively, Financial Assets). Land Assets include timberland, rangeland, farmland, commercial real estate, residential real estate, minerals, and oil and gas (collectively, Land Assets) located in Idaho.

II. Purpose

This Statement of Investment Policy is set forth by the Land Board to accomplish the following:

- Establish a clear understanding for all involved parties regarding the management and investment goals and objectives for the Endowment Assets.
- Establish guidance and limitations to all involved parties regarding the management and investment of Endowment Assets.
- Define and assign the responsibilities of participants involved in the investment process.
- Establish a basis for evaluating investment and management results.
- Manage Endowment Assets according to prudent ~~standards as~~ standards established in the Idaho Constitution and trust law.
- Establish the relevant investment horizon for which the Endowment Assets will be managed.

III. Constitutional and Statutory Requirements

The investment and management of the Endowment Assets will be in accordance with the Idaho Constitution, all applicable laws of the State of Idaho, and other pertinent legal restrictions. In the event this Statement is inconsistent with Constitutional or Statutory Requirements (Requirements), those Requirements will control.

A. Land Board

Article IX, Section 7 of the Constitution establishes the Land Board: “The governor, superintendent of public instruction, secretary of state, attorney general and state controller shall constitute the state board of land commissioners, who shall have the direction, control and disposition of the public lands of the state, under such regulations as may be prescribed by law.”

B. Sole Interest of the Beneficiaries

All Endowment Assets of the State of Idaho must be managed “in such manner as will secure the maximum long-term financial return” to the trust beneficiaries.

C. Prudent Investments and Fiduciary Duties

The Land Board and its agents, including staff, the Idaho Department of Lands (IDL), the Endowment Fund Investment Board (EFIB), consultants, advisors, and investment managers shall exercise the judgment and care of a prudent investor as required under the prudent investor rule set forth in the Uniform Prudent Investor Act (Act), Idaho Code §§ 68-501 to 68-514.

Endowment Assets shall be invested and managed with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent expert acting in like capacity and familiar with such matters would use in the investment and management of assets of like character with like aims.

The Act states, in part, that: “A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution”; and, “A trustee’s investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.”

The duty of prudence requires trustees to bring the appropriate level of expertise to the administration of the trust. An implied duty of trustees is also to preserve and protect the assets with a long-term perspective sensitive to the needs of both current and future beneficiaries.

D. Sales, Exchanges, and the Land Bank

Article IX, Section 8 of the Idaho Constitution includes the following restrictions regarding the sale of lands:

- All land disposals must occur via public auction
- A maximum of 100 sections (64,000 acres) of state lands may be sold in any year
- A maximum of 320 acres may be sold to ~~any~~ one individual, company, or corporation (160 acres for University endowment lands per Article IX, Section 10)
- No state lands may be sold for less than the appraised ~~price~~ value
- Granted or acquired lands may be exchanged on an equal value basis with other lands subject to certain restrictions

~~Certain lands may not be sold per Idaho Code § 58-133, which states, “All state-owned lands classified as chiefly valuable for forestry, reforestation, recreation, and watershed protection are reserved from sale and set aside as state forests.”~~ Article IX, Section 4 of the Idaho Constitution provides for the deposit of the proceeds from the sale of school lands into ~~a~~ the ~~L~~and ~~b~~Bank ~~f~~und to be used to acquire other

lands within the state for the benefit of endowment beneficiaries, subject to a time limit established by the legislature.

Idaho Code § 58-133 provides conditions for use of the Land Bank Fund. In summary, the Land Bank Fund exists to hold the proceeds from the sale of state endowment land pending the purchase of other land in Idaho for the benefit of the endowment beneficiaries. Funds in the Land Bank, including earnings, are continually appropriated to the Land Board. If the funds have not been utilized for land acquisition within five years, they are transferred to the permanent endowment fund of the respective endowment. The Land Board may transfer any portion of the funds in the Land Bank to the Permanent Fund at any time.

E. Other Constitutional Requirements and Statutes

Additional constitutional articles and state statutes are described throughout this Statement. [Appendix B](#) includes the entirety of the constitutional articles and statutes that apply to the investment and management of Endowment Assets.

IV. Investment Goals

A. General Objective

The stated mission for Endowment Assets is to provide a perpetual stream of income to the beneficiaries by managing assets with the following objectives:

- Maximize long-term financial return at a prudent level of risk.
- Provide relatively stable and predictable distributions to the beneficiaries.
- Ensure distributions maintain financial equity for current and future generations of beneficiaries.
- Maintain sufficient liquidity for anticipated expenditures and anticipated/expected distributions.

B. Considerations

Primary considerations impacting the fulfillment of the investment mission and objectives include the following:

- Constitutional and statutory requirements as noted previously. Constitutional restrictions are considered permanent given the process required to amend the Constitution (approval by a two-thirds majority in the House of Representatives and Senate followed by ratification by the citizens of Idaho via a general election ballot or a constitutional convention).
- Managing revenue and profit-generating activities within a government agency.
- Each trust holds its Financial Assets in a commingled pool (with shares owned by several trusts) but its Land Assets in specific and unique tracts.

C. Investment Return Objective

As perpetual assets, ~~per~~according to the State Constitution and statute, the Endowment has a perpetual investment horizon. The investment return objective for the Endowment Assets is to earn over a long period an annualized real return, net of fees, expenses, and costs, above spending and inflation (per Idaho Code § 57-724) as well as population growth (per Land Board policy). Given the current financial and land asset mix, the Endowment is expected to earn a real net return of ~~4.2~~4.6% annually over the long term.

D. Distribution Policy

The Distribution Policy adopted by the Land Board (further described in Section VIII) sets annual distributions to beneficiaries. The interaction of investment and distribution policies should balance the needs of current and future beneficiaries. The Land Board's policy is to distribute a conservative estimate of long-term sustainable income and hold sufficient reserves of undistributed income to absorb down cycles in endowment earnings. It is a priority to avoid reductions in distributions because most beneficiaries depend on endowment distributions to fund ongoing operations.

V. Investment Risk and Strategic Asset Allocation

A. Asset Class Diversification Asset Classes

Risk, as it relates to stability of distributions, shall be managed primarily by holding reserves of undistributed income. Risk, as it relates to the volatility of earnings of the Endowment Assets, shall be managed primarily through diversification. Subject to land disposal restrictions, the Endowment Assets will be diversified both by asset class and within asset classes to the extent practical. The purpose of diversification is to provide reasonable assurance that no single asset class will have a disproportionate impact on the Endowment. Both quantitative measures and qualitative judgment will be used in assessing and managing risk.

B. Review of Asset Classes and Asset Allocation

In setting strategic asset allocations, the Land Board will focus on ensuring the Endowment's ~~Assets'~~ expected long-term returns will be sufficient to meet expected long-term obligations with a prudent level of risk. Approximately every eight years, the Land Board will evaluate the asset allocation mix and conduct an asset allocation study (last completed in 2022) to determine the long-term strategic allocations to meet risk/return objectives.

Significant changes in capital market assumptions, portfolio characteristics, timber income expectations, or the Distribution Policy may cause the Land Board to accelerate the timing of an asset allocation study. For example, the illiquidity of much of the Land Assets may require the target asset mix of the Financial Assets be adjusted due to significant land sales or acquisitions or the appreciation of the Financial Assets at a faster or slower rate than the appreciation of the Land Assets.

EFIB will review the Distribution Policy annually. When key assumptions in the Distribution Policy change, such as expected earnings and volatility, EFIB will recalculate the risk of shortfalls in future distributions and provide recommendations on policy adjustments to the Land Board.

C. Strategic Asset Allocation

In 2022, the Land Board commissioned an update of the asset allocation study based on the schedule directed by this investment policy statement. The purpose was to update the return forecasts for land and financial assets and the expected return and risk for the total endowment trust. The update was accepted by the Land Board in June 2022.

The current asset mix for the total endowment is presented in Exhibit 1 below:

Exhibit 1: Asset Allocation

Asset Class	Actual Asset Allocation June 30, 2024 ⁵	Valuation June 30, 2024 ⁵
Financial Assets	63.2% 65.08%	\$3,254,002,699 3,588,670,608
Timberland	31.28% 29.22%	\$1,610,439,200 1,611,155,715
Rangeland	1.23% 1.15%	\$63,385,840
Cash Equivalents (Land Bank)	1.43% 1.38%	\$73,598,319 76,019,358
Residential Real Estate	1.05% 1.15%	\$54,291,888 63,148,440
Commercial Real Estate	0.7% 0.77%	\$36,044,000 42,596,000
Farmland	1.11% 1.26%	\$57,054,335 69,600,319
Total	100%	\$5,148,816,281 5,514,576,280
Expected Return (net)	7.4% 7.14%	
Expected Risk (Standard Deviation)	12.3%	
Inflation Assumption	2.50%	

Percent may not total to 100% due to rounding

Based on Callan's 2024⁵ Capital Market Expectations, over a 10-year period, the current asset allocation is expected to generate a nominal return in excess ~~7.4%~~7.1% net of fees. Using an inflation assumption of 2.50% results in an expected real net return of ~~4.9%~~4.6%. The volatility level (standard deviation) associated with this asset mix is approximately 12.3%. The Land Board recognizes the actual 10-year return may deviate significantly from this expectation.

The Land Board acknowledges the link between the asset allocation and the Distribution Policy. If an asset allocation mix is selected that deviates from the risk and return of the current asset allocation, the Land Board, in consultation with EFIB, will assess the impact on the Distribution Policy and change the Distribution Policy as necessary. In broad terms, changes in long-term expected return will impact the estimated level of sustainable distributions while changes in risk, as measured by volatility of returns, will impact the desired level of reserves.

EFIB will review the asset allocation for the Financial Assets per the EFIB Investment Policy and present it to the Land Board as an informational item.

D. Strategic Policies

In addition to asset allocation, the Land Board may from time to time authorize or adopt strategic policies. “Strategic Policies” are actions by the Land Board to allow investment in asset types that have not been singled out as “asset classes” in the asset allocation process, to overweight a particular sector within an asset class, or to employ particular strategies in the investment of the Endowment Assets. The purposes of these actions are either to increase the return above the expected return or to reduce risk. Any such policy would include consideration of the change in risk, the change in return, and the impact on the Distribution Policy.

VI. Investment Governance Structure

The Idaho Constitution provides that the endowment funds are held in trust and administered by the Land Board as trustees. The Constitution further provides that the Idaho Legislature may establish a statutory structure for administration that is consistent with the nature of the trusts. Accordingly, the Idaho Legislature created a structure that established EFIB as the manager of the Financial Assets, established the appropriations process for the payment of trust management expenses, and created IDL to serve as the manager of the Idaho Land Assets of each trust. The constitutional and statutory provisions, together with Land Board policy, establish the governance structure for Endowment Assets.

A. Land Board Responsibility

Management of the Endowment Assets is entrusted to the Land Board, which serves as the sole fiduciary of both the Land Assets and Financial Assets. The Land Board is ultimately responsible for all management and investment activities. The powers and duties of the Land Board are fully described in Idaho Code § 58-104.

In exercising these responsibilities, in addition to EFIB and IDL, the Land Board may hire personnel and agents and delegate investment functions to those personnel and agents consistent with constitutional and statutory provisions. Where the Land Board does not or cannot delegate investment powers or duties, the Land Board will either satisfy itself that it is familiar with such matters or will retain ~~persons~~ people who are familiar with such matters to consult or assist ~~the Land Board~~ in the exercise of those responsibilities. Where the Land Board delegates a responsibility, it will be delegated to a person who is familiar with such matters, and the Land Board will monitor and review the actions of those to whom responsibilities are delegated.

1. General Roles and Responsibilities

The Land Board’s general role and responsibilities regarding investments include, but are not limited to the following:

- Direct and oversee the conduct and operations of EFIB and IDL.
- Appoint and consult with expert advisors (including EFIB and IDL) for each critical function for which the Land Board has responsibility. In this context, the term “expert advisor” shall mean a person engaged in the business for which he holds himself out to be an expert and who is experienced in that field.
- Plan and establish strategic policies to coordinate the management of state endowment lands with the management of the endowment funds.
- Provide reports on the status and performance of state endowment lands and the respective endowment funds to the state affairs committees of the Senate and the House of Representatives within fourteen days after a regular session of the legislature convenes.
- Make strategic decisions, primarily concerning asset allocation, and establish and/or approve endowment land asset investment and management policies and strategies.
- Reclassify land assets due to change in land use or management, change in adjacent or nearby land use or management, increased value or revenue potential, or for any reason deemed sufficient by the Land Board.
- Periodically review this master investment policy and any sub-policies.
- Monitor the compliance of EFIB and IDL with the investment policies and strategy determined by the Land Board and the execution of the strategy.
- Hire agents in addition to IDL and EFIB to assist the Land Board in the implementation of strategy or investment policies.
- Approve the IDL annual budget request for consideration by the governor and legislature (including review of appropriation requests to IDL from Earnings Reserves).
- Approve the annual allocation of Earnings Reserve Funds as provided in Idaho Code § 57-723A (Distribution Policy), specifically how much is: distributed annually to beneficiaries; retained for future distribution; and, transferred to the Permanent Fund to build corpus.
- Approve the annual timber sale plan and certain timber sales that fall outside of the IDL director’s authority.
- Review the IDL director’s monthly trust land activity report showing the proposed sales for the next month as well as all other recorded activities on endowment lands.
- Approve large routine land investment decisions that exceed the authority of the IDL director.
- Approve certain other land investment decisions that exceed the authority delegated to the IDL director.
- Approve rulemaking and legislation for IDL.
- Review decisions of the IDL director upon appeal in contested matters.

2. Land Board Investment Subcommittee

a) Structure of the Investment Subcommittee

The Land Board established and authorized the Subcommittee in December 2014. The current composition of the Subcommittee is one EFIB member (selected by the EFIB chair), the EFIB manager of investments, and the IDL director.

b) General Roles and Responsibilities of the Investment Subcommittee

The Investment Subcommittee provides review and advice to the Land Board. The primary purpose of the Investment Subcommittee is to coordinate investment issues that cross both the Land Assets and the Financial Assets, including the following:

- Administer the contract for the general consultant and other consultants, as assigned by the Land Board.
- Work with the general consultant to identify the Land Board's advisor(s) and consultants, including the Land Investment Advisor(s), Land Acquisition Advisor(s), Commercial Real Estate Broker, and the Land Board's Commercial Real Estate Investment Advisor.
- Work with the general consultant and recommend the Statement of Investment Policy and Asset Management Plan to the Land Board.
- Recommend policy regarding implementation of land exchanges on endowment lands.
- Recommend policy (consistent with Idaho Code § 58-133) regarding the use of proceeds from the disposal of assets (e.g., cabin sites, commercial real estate, grazing lands). This may include deposit in the Permanent Fund or holding of proceeds in the Land Bank Fund to acquire additional endowment land assets in Idaho (excluding commercial buildings consistent with past Land Board decision), access to currently owned endowment lands, or to block-up ownership of endowment lands.

3. Use of Outside Experts

The Land Board employs outside advisors and consulting firms to provide specialized expertise, assist IDL with transactions, and verify or review IDL's and EFIB's investment and operational activities and procedures.

a) Non-Discretionary Investment Consultants

The Land Board may hire a qualified independent consultant or consultants (including a general consultant) for strategic and annual plan reviews, review of new investment initiatives, investment policy development and review, asset allocation, advisor selection and monitoring, and performance measurement. Investment consultants will be fiduciaries with respect to the services provided and will act in a non-discretionary capacity with no decision-making authority.

b) Commercial Real Estate Advisor

The Land Board may use a commercial real estate advisor to advise on the Idaho commercial property portfolio or properties being considered for reclassification. The commercial real estate advisor will provide analysis and management expertise on the retention, leasing, disposition, and management of the properties. The commercial real estate advisor will be a fiduciary with respect to the services provided and act in a non-discretionary capacity with no decision-making authority.

c) Land Acquisition Advisors

The Land Board may use land acquisition advisors to source land acquisitions, facilitate completion of due diligence services, and make recommendations. Due diligence services may include appraisals, review appraisals, timber cruise and check cruise, financial evaluation, mineral and water right

identification, encumbrance review, survey, and title review. Land acquisition advisors will be fiduciaries with respect to the services provided and act in a non-discretionary capacity with no decision-making authority.

d) Land Investment Advisor

The Land Board may use a land investment advisor(s) to independently review certain land investment decisions proposed by IDL (land disposal, land acquisition, exchange, and new tenant improvements) that are over \$250,000. The land investment advisor will review the post-audit completed by IDL for transactions over \$1,000,000. The land investment advisor may be used for independent review of IDL procedures. The land investment advisor will be a fiduciary with respect to the services provided and act in a non-discretionary capacity with no decision-making authority.

e) Auditor

Idaho Code § 57-720 requires the Financial Assets of the endowment be reviewed by an independent auditor. The independent auditor also reviews the application of agreed upon procedures for the IDL income statement. To oversee this process, and any other audits it deems prudent, the Land Board has established the Land Board Audit Committee, consisting of the attorney general (or designee), the state controller (or designee), and three members of EFIB, appointed by its Chair.

B. Investment Governance and Investment Policy for ~~the~~ Financial Assets

Idaho Code § 57-718 created EFIB which formulates policy for and manages the investment of ~~the~~ Financial Assets, which consists primarily of the invested revenues from the endowment lands. As permitted in Idaho Code § 57-720, the fund assets of all nine endowments, both Permanent Funds and Earnings Reserve Funds, may be combined in a single investment pool.

1. Mission of EFIB

The mission of EFIB is to provide professional investment management services to its stakeholders consistent with its constitutional and statutory mandates.

2. Structure of EFIB

Per Idaho Code § 57-718, EFIB consists of nine members appointed by the governor and confirmed by the Senate. These members are one state senator, one state representative, one professional educator, and six members of the public familiar with financial matters.

3. General Roles and Responsibilities of EFIB and Agents

With a citizen board and small staff, EFIB will make strategic allocations and generally avoid making tactical calls. The Board and staff will concentrate on the following activities:

- Making strategic decisions, primarily concerning asset allocation.
- Establishing investment policy for the funds.
- Recommending Distribution Policy and transfers of Earnings Reserves to the Land Board.
- Establishing Distribution Policy for the Capitol Permanent Fund.

- Selecting, monitoring, and terminating investment managers, consultants, and custodians.
- Selecting and directing staff.
- Approving an investment management expense budget from Earnings Reserves for consideration by legislative appropriation.
- Overseeing a credit enhancement process to reduce interest rates on Idaho school bonds through the pledge of certain assets of the Public School Endowment Fund.
- Maintaining a reporting system that provides a clear picture of the status of the Financial Assets.

4. Professional Staff

EFIB will maintain a staff with investment expertise, including a Manager of Investments (MOI) who is a fiduciary to EFIB. The MOI is responsible for directing and monitoring the investment management of the Financial Assets.

5. Use of Outside Experts

The Financial Assets will be invested by professional investment firms. No funds will be managed internally. EFIB will also employ one or more outside consulting firms to provide specialized expertise and assist in, among other things, asset allocation, manager selection and monitoring, and performance measurement.

6. Investment Policy Statement for Financial Assets

EFIB will maintain a detailed Investment Policy that pertains specifically to the management and investment of the Financial Assets ([Appendix C](#)). The Land Board is not required to approve this investment policy as this duty is delegated to EFIB.

C. Investment Governance for Land Assets

Idaho Code § 58-101 created IDL to serve as the internal investment and asset manager of the Land Assets of each trust. This role includes authorization to make certain investment decisions consistent with the established governance structure and includes day-to-day operating responsibilities for the Land Assets. This ~~is in contrast to~~ contrasts with the EFIB structure where implementation and day-to-day decision making is delegated to external investment managers subject to approved guidelines and contracts.

The Land Assets include timberland, rangeland, farmland, commercial real estate, residential real estate, minerals, and oil and gas (collectively “Land Assets”) located in Idaho.

1. Mission of IDL

The mission of IDL is to professionally and prudently manage Idaho’s Land Assets to maximize long-term financial returns to public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect, and sustain their natural resources.

2. Structure of IDL

IDL operates under the direction of the Land Board and is the administrative arm of the Idaho Oil and Gas Conservation Commission. IDL is led by a director who is employed by and is ~~directed~~ supervised by

the Land Board. The director's staff includes two deputy directors, a division administrator for Forestry and Fire (currently serves as State Forester), a division administrator for Trust Land Management, a division administrator for Minerals, Navigable Waters, and Oil & Gas, a division administrator for Operations, and General Counsel—collectively, the executive staff. Each of the positions identified above supervises various professional, technical, and administrative support staff.

3. General Roles and Responsibilities

IDL manages more than 2.5 million acres of Idaho Land Assets (and additional acreage of retained mineral rights) under a constitutional mandate to maximize long-term financial returns for the sole benefit of public schools and certain other state institutions enumerated in statute.

The director and staff will concentrate on the following investment-related activities:

- Serving as the instrumentality of the Land Board.
- Implementing the strategic direction established by the Land Board concerning Land Assets.
- Making strategic decisions (where authorized) and providing recommendations to the Land Board concerning management of Land Assets.
- Establishing policies and procedures for IDL programs.
- Selecting and directing staff.
- Developing a land and resource management expense budget from Earnings Reserves for Land Board approval and consideration for legislative appropriation. Earnings Reserves is only a portion of the IDL budget.
- Monitoring and reporting progress toward strategic goals, including preparing an annual income statement following agreed upon procedures and calculating annual returns for major asset classes and all asset classes combined.

Decision-making authority for endowment land asset management resides with the Land Board except as delegated to the IDL director. Program management resides with the director's staff and their subordinates. IDL establishes policies and procedures for routine programmatic activities at the bureau and program levels.

IDL has delegated authority to approve the following:

- Normal timber sales that fall within established Land Board policies and salvage sales.
 - Exceptions include sales with clear-cut harvests over 100 acres; sales with development credits exceeding 50% of the net appraised value or 33% of the gross appraised value; and sales with written citizen concerns.
- Approval of certain routine land investment decisions. Routine land investment decisions include access acquisition and grants, forest and range improvements, reforestation, and building maintenance.
 - Transactions <\$1,250,000 the IDL director may authorize.
 - Transactions >\$1,250,000 require Land Board approval.

- Approval of certain other land investment decisions. Other land investment decisions include land disposal, land acquisition, reclassification, and new tenant improvements.
 - Transactions <\$250,000 the IDL director may authorize.
 - Transactions >\$250,000 require Land Board approval.

4. Professional Staff

IDL staff consists of trained professionals and technical experts in various fields, such as forestry, range, real estate, minerals, oil & gas, fire, accounting, finance, procurement, geographical information systems (GIS), remote sensing, and other specialties. IDL staff members who are involved with management of Endowment Assets or related accounting or financial management are fiduciaries.

5. Use of Outside Experts

IDL may use outside experts at its discretion and the Land Board's discretion. IDL may use the Land Board's expert advisors when in need of the special expertise provided by the advisors and when the use of a specific advisor will not conflict with the Land Board's use of the advisor. IDL may review information and recommendations provided to the Land Board by outside experts including the Commercial Real Estate Investment Advisor, Commercial Real Estate Broker, Land Acquisition Advisor(s), and the Land Investment Advisor(s). The chart in [Appendix D](#) below depicts the relationship between the Land Board, IDL, and outside experts.

D. Role of the Legislature

The Idaho Legislature is responsible for the following:

- Enacting laws to establish the methodology for restoring losses to the Public School and Agricultural College funds.
- Appropriating Earnings Reserve Funds for operation of IDL and EFIB.
- Considering approved endowment distributions in setting beneficiary appropriations.
- Establishing the statutory structure for administration of endowment assets that is consistent with the nature of the trusts and the constitutional duties of the Land Board.

VII. Asset Class Policies for Land Assets

A. Investment Objective for the Land Assets

The primary objective for the Land Assets is the generation of maximum long-term return at a prudent level of risk using traditional land grant asset types. The Land Assets diversify the Financial Assets given the low correlations of timberland and rangeland to public capital markets. The Land Assets also lower the volatility of the total investment portfolio considering timberland and rangeland returns have historically exhibited lower volatility than equity asset classes. During periods of negative financial returns, Land Assets can provide a positive revenue stream to help maintain Earnings Reserves and stable Endowment distributions.

Investment objectives are long-term return objectives. The investment objective for the land portfolio recognizes that timberland is a primary driver of the overall return for land and that income from timberland and, to a lesser degree, all other lands are the primary generator of investment returns. The individual investment objectives for timberland, rangeland, and farmland reflect the long-term investment characteristics (return, correlation, and volatility) compared to other asset classes. Investment objectives also consider the existing base of land holdings along with management constraints, notably sales restrictions, acreage limitations, and the rent-setting and leasing processes. The return objectives should not be viewed in isolation but in relationship to one another.

The Land Assets are managed to achieve a real net return target of at least 3% over a long-term holding period (Land Assets Return Objective). The Land Assets Return Objective includes both income and appreciation, is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), net of all fees and costs of program management (e.g., legal and audit), and net of inflation as measured by the Consumer Price Index. While the Land Assets Return Objective includes both income and appreciation, the return is expected to be generated primarily from income.

Specific investment objectives and guidelines for each land category are summarized below. The Land Board shall review periodically its expectations for the land categories and assess how the updated expectations affect the probability that the Endowment will achieve the established investment objectives.

B. Key Elements of the Land Strategy

1. Active and Profitable Management

Land Assets are actively managed based on profitability, which means that some parcels will be managed more intensively than others. The portfolio is managed by IDL and, except in unusual circumstances, no external managers are used. Active management includes the following primary activities:

- Maximize net income while protecting and enhancing the long-term value and productivity of the Land Assets. (IDL shall produce a quarterly income statement which allows for evaluation of income versus management and operating expenses by trust beneficiary, program, and asset class to evaluate returns and profitability.)
- Acquire, through purchase or trade, land whose expected risk adjusted return meets or exceeds the return objectives outlined in this Statement and whose uses are aligned with IDL's management expertise.
- Dispose, through sale or trade, land whose expected long-term return does not meet the return objectives outlined in this Statement.
- Make incremental investments to enhance the value of existing assets when the expected risk adjusted return is favorable.

2. Leverage is Prohibited

Debt is not used in acquisition of Land Assets. All assets are unencumbered by debt.

3. Diversification

There is limited ability to diversify the Land Assets by geography, land type, investment style, investment manager (IDL is the sole manager), or vintage year since most Land Assets were acquired at statehood. Diversification of income source shall be pursued by encouraging multiple bidders for timber sales and leases. There is limited opportunity to actively diversify the tenant base in ~~rangeland, commercial real estate, residential real estate, farmland, and other~~ all land types that are leased. ~~since leases are simply awarded to the highest bidder.~~ In most cases these leases have fixed annual rents or rates and are awarded to the highest premium bidder on auction day. There are opportunities for commercial leases on endowment lands. Commercial leasing opportunities may require reclassification of land assets due to land value and income potential from leasing activities. All grazing, conservation, and agricultural leases have terms concerning change in land use for higher returns.

Timberland ~~shall be~~ is managed for age class and species diversity across the ~~timberland~~ asset to maximize long-term returns. ~~An individual timber stand may have trees of similar age, but other timber stands represent other age classes, ensuring a relatively even flow of forest products over time.~~ An even flow of various forest products is considered a priority to maintain a vibrant and diverse customer base to maximize the sale prices of timber over time and ~~resulting to maintain or improve~~ income distributions. Offering a variety of timber sale sizes, types, and locations across the state also helps to maintain a diverse customer base. Geographic diversity of the land base and intensive forest management provide some protection against catastrophic fire, disease, and insect outbreak.

4. Illiquidity and Rebalancing

Land Assets represent a large part of the total Endowment portfolio and are illiquid compared to publicly traded ~~equities~~ securities. Strategic repositioning and improvement of the land assets will be actively pursued through sales, exchanges, and acquisitions. However, constitutional and statutory requirements regarding land sales and exchanges limit the ability to rebalance the Land Asset portion of the portfolio. Acquisitions may be limited by escalating land values that exceed the capability to return appropriate cash flows under traditional management activities.

C. Timberland

1. Definition

Timberland is defined as land capable of growing successive crops of commercial forest products for harvest.

2. Overall Financial Objective and Benchmark

The return on timberland comes from biological growth, upward product class movement, timber price appreciation and land price appreciation. The overall objective of timberland investments is to attain a real net income return of at least 3.35% over a long-term holding period. The net return target is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), and net of all fees and costs of program management (e.g., legal and audit).

3. Allowable Investments

Timberland in Idaho and investments in timberland improvements, including but not limited to planting seedlings, spraying, pre-commercial thinning, fertilization, intermediate silvicultural treatments, road construction, and maintenance projects are allowed, as are investments in easements or other means of achieving cost-effective access to productive timberlands.

New timberland acquisitions shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine the following:

- If the expected financial return generated by income exceeds the minimum hurdle rate of 3.35% ~~real net~~ net real;
- Whether the return profile is sufficient relative to the risk taken, including an analysis of the transaction in terms of long-term financial return and risk to the Endowment;
- Whether the transaction would facilitate improved management or improve the overall Endowment land ownership pattern in the area;
- The existence of any potential risks, including but not limited to environmental or title-related issues.

Parcels posing any significant risk as described in the due diligence analysis and those not meeting the minimum hurdle rate shall be avoided. The presence of minerals including sand and gravel can enhance the net return from timberland. Land Bank funds used for acquisition can only be used on behalf of the endowment from which the funds originated. The minimum return requirement for new investments will be reviewed and updated as necessary based on the Strategic Reinvestment Plan.

New investments in timberland must be owned 100% by the endowment. Joint ventures are not allowed. Acquisition of land with a conservation easement in place is allowed provided the Land Board has full decision-making authority regarding implementation of land management practices.

4. Considerations

Idaho Code § 58-133 requires that all state-owned lands classified as chiefly valuable for forestry, reforestation, recreation, and watershed protection be reserved from sale and set aside as state forests.

The Land Board has the authority for classification of newly acquired land and reclassification of existing land to better meet fiduciary obligations and market conditions. ~~Timberland can be exchanged but only for other timberland. Timberland with potential for greater long term financial returns to the beneficiaries may be reclassified to allow a higher and best use.~~

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands.

IDL has an established public involvement process, approved by the Land Board, which requires that annual timber sale plans be published, and public comment opportunities be made available. Direct sales (less than 200,000 board feet or less than \$15,000 in value) and salvage sales are exempt from the policy.

5. Management

Timberland is directly managed by IDL. Management shall comply with all applicable laws, such as the Idaho Forest Practices Act. Management objectives include the following:

- Manage the timberland asset prudently, efficiently, and with accountability to the beneficiaries.
- Reduce risk and increase prospects for sustainable annual income.
- Achieve a rate of return consistent with policy objectives.
- Produce forest products that meet market demands.
- Identify and acquire additional timberlands that maintain or enhance the value of the timberland asset class.
- Identify and dispose of or reclassify underperforming timberland assets to increase economic performance and improve land asset diversity.
- Achieve financial and forest health objectives identified in the Asset Management Plan and the Forest Asset Management Plan.

6. Valuation

The land expectation value (LEV) method (constant real annual cash flow / real annual discount rate) approach or other commercially acceptable methods approved by the Land Board shall be used for the valuation of the timberland asset class. The timberland asset class shall be valued using the LEV method every five years by an independent expert for the purpose of calculating program returns, not for the purpose of acquisition or disposition of specific timberland parcels. MAI appraisals must be used for valuation of individual parcels in the event of an exchange.

7. Monitoring Standards

IDL will report cash flows for the timberland asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation (based on LEV), and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses ~~of~~for managing the asset class. The most recent independent valuation will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

D. Rangeland

1. Definition

Rangeland is defined as lands supporting natural vegetation—generally grasses, forbs, and small brush suitable for grazing by domestic livestock and wildlife.

2. Overall Financial Objective and Benchmark

The overall objective of rangeland investments is to attain a positive real net return over a long-term holding period. The positive real net rate of return includes primarily income and is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), net of all fees and costs of program management (e.g., legal and audit) and net of inflation as measured by the Consumer Price Index. Given its low expected return, rangeland is not an institutional asset class.

3. Allowable Investments

Additional investment may take the form of investments in rangeland improvements and easements or other means of access to improve productivity. Rangeland improvements refers to actions that improve the manageability and productivity of the asset including but not limited to fencing, weed control, access improvement, and water development.

New investments in rangeland are not anticipated or being actively targeted. Should a new investment opportunity arise, it shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine the following:

- Whether the return profile is sufficient relative to the risk taken, including an analysis of the transaction for long-term financial return and risk to the Endowment;
- Whether the transaction would facilitate improved management or improve the overall Endowment land ownership pattern in the area;
- The existence of any potential risks, including but not limited to environmental or title-related issues.

Parcels posing any significant risk as described in the due diligence analysis shall be avoided. Land Bank funds used for acquisition can only be used on behalf of the endowment from which the funds originated.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Grazing leases have an exchange clause that alleviates this statutory requirement.

Rangeland may be exchanged or sold subject to acreage limitations—a lifetime maximum of 320 acres may be sold to any one individual, company, or corporation. For rangeland, this limitation is a significant barrier to repositioning or reducing the size of the rangeland portfolio given its size at over 1.4 million acres. Any disposal of rangeland should consider its optionality for future conversion to a higher and better use, including reclassification and potential mineral extraction. ~~Some endowments are~~ The University Endowment is restricted to a lifetime maximum of 160 acres sold to any one individual, company, or corporation. Article IX of the Idaho Constitution describes the limitations on the sale of endowment land.

5. Management

Rangeland is directly administered by IDL. Livestock forage productivity and availability ~~vary~~ies significantly across the state due to factors such as climate, vegetation types, topography, and access to water. Some Endowment parcels are of sufficient size and productivity to stand alone as a grazing unit; however, most are managed in a manner consistent with adjoining federal and private lands because of normal livestock and grazing management practices. Some rangeland parcels are leased in combination with timberland or other commercial uses (commercial ground or energy production leases). The

presence of minerals such as sand and gravel can enhance the net return from rangeland. Management objectives for rangeland include the following:

- Manage the ~~rangeland~~ asset prudently, efficiently, and with accountability to the beneficiaries.
- Develop and manage ~~long-term~~ grazing leases that achieve a rate of return consistent with policy objectives and market rates.
- Identify and dispose of or reclassify underperforming rangeland assets to increase economic performance and improve land asset diversity.
- Minimize contractual and environmental risks.
- Identify programmatic or statutory changes that maximize income.
- Achieve objectives identified in the Asset Management Plan and the Grazing Program Business Plan.

6. Valuation

The land expectation value (LEV) method (constant real annual cash flow/real annual discount rate) approach shall be used for the valuation of rangeland. Rangeland shall be valued using the LEV method every five years by an independent expert. MAI appraisals must be used for individual parcels in the event of an exchange or sale.

7. Monitoring Standards

IDL will report cash flows for the rangeland asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses of managing the asset class. The most recent independent value will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

E. Residential Real Estate

1. Definition

Idaho has leased residential sites since 1932. These properties are vacant endowment land where lessees are authorized to construct and own improvements, typically cabins and single-family homes. Parcels in asset classes such as timberland and rangeland may be reclassified to residential real estate as development occurs in the vicinity.

2. Overall Financial Objective and Benchmark

Leases shall be at least 4% of the appraised value depending on the length of the lease term. The overall objective of residential real estate investments is to attain, for each sale, net distributions to the endowment that are at or above appraised value and cover all costs of the sale and internal management costs.

3. Allowable Investments

The Land Board and IDL are implementing a disposition strategy for the residential portfolio subject to a long-term plan that was approved in December 2010, revised in 2016, and revised again in 2022. Future

investment in cottage sites is not ~~allowed~~allowed; however, current land assets may be reclassified to residential real estate.

4. Considerations

While the Land Board has directed a disposition strategy for the residential portfolio, complete disposition is unlikely in the next five years. The viability of an ongoing lease program, with consideration of ongoing related expenses, shall be evaluated by IDL and reviewed by the Land Board as the current disposal process is completed. As stated previously, land currently in other asset classes may be reclassified to residential real estate, resulting in an ongoing portfolio of residential real estate. Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

Cottage sites are directly managed by IDL. Management objectives include the following:

- Execute the approved Cottage Site Plan to unify the estate ~~in a business savvy manner~~ to maximize return to the endowments.
- For the duration of the cottage site leasing program, develop and manage residential leases that appropriately compensate the endowments.
- Identify additional high-value (undeveloped) residential real estate for potential auction to maximize return to the endowments. (May require reclassification of other land assets.)
- Identify and reclassify residential real estate that may return more value to the trust if reclassified to a higher and better use.

6. Valuation

All properties will be appraised to establish lease rates prior to sale. Until reappraisal, existing appraisal data will be used for valuation of the asset class.

7. Monitoring Standards

IDL will report cash flows for the residential real estate asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses ~~of~~for managing the asset class. The most recent independent value will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

F. Farmland

1. Definition

Farmland is defined as land under cultivation or capable of being cultivated. The farmland asset includes lands used for cultivating grains, vegetables, and hay, as well as vineyards and orchards.

2. Overall Financial Objective and Benchmark

The overall objective of farmland investments is to attain a real net return of 4% over a long-term holding period. The rate of return includes both income and appreciation, is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), net of all fees and costs of program management (e.g., legal and audit), and net of inflation as measured by the Consumer Price Index.

3. Allowable Investments

Investments in Idaho farmland, improvements such as irrigation or structures, and easements or other means of access to productive farmlands are allowed.

New investments in farmland are not anticipated or being actively targeted. Should a new investment opportunity arise, it shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine:

- Whether the return profile is sufficient relative to the risk taken, including an analysis of the transaction for long-term financial return and risk to the Endowment.
- The existence of any potential risks, including but not limited to environmental or title-related issues.

Parcels posing any significant risk as described in the due diligence analysis shall be avoided.

Land Bank funds used for acquisition can only be used on behalf of the endowment from which the funds originated.

Investments in farmland must be owned 100% by the Endowment. Joint ventures are not allowed. Acquisition of land with a conservation easement in place is allowed provided the Land Board has full decision-making authority regarding implementation of land management practices.

4. Considerations

Farmland may be sold or exchanged subject to acreage ~~limitations~~limitations. A lifetime maximum of 320 acres may be sold to any one individual, company, or corporation (160 acres for the University endowment). Article IX of the Idaho Constitution describes the limitations on the sale of endowment land. Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

The asset class is directly managed by IDL through agriculture leases which may be cash, crop share, or flex with adjustment based on yield or price. Some agriculture parcels are leased in combination with grazing uses. Management objectives include the following:

- Achieve return consistent with policy objective.

- Focus on income and current cash yield through the management of existing properties. Cash lease structure will be preferred.
- Enroll endowment lands in federal agricultural programs when appropriate.
- Achieve objectives identified in the Asset Management Plan for Endowment Assets (and any related plans developed) and the Farmland Program Business Plan.

6. Valuation

The portfolio will be valued using NASS Farmland Data. This is appropriate as farmland holdings are a small portion of the Endowment Assets. All properties shall be valued by an MAI appraiser prior to sale.

7. Monitoring Standards

IDL will report cash flows for the farmland asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses ~~of~~ for managing the asset class. The most recent independent value will be used and adjusted for capital expenditures, sales, and acquisitions during the reporting period.

G. Idaho Commercial Real Estate

1. Definition

Idaho Commercial Real Estate is a discrete portfolio of office buildings, parking lots, retail, and other identified land properties located in Idaho.

2. Overall Financial Objective and Benchmark

The majority of the Idaho Commercial Real Estate portfolio was sold as recommended by the Commercial Real Estate Advisor and approved by the Land Board in February 2016. Of the properties identified in the 2016 sales plan that did not sell, IDL will continue to pursue prudent disposition as recommended. Certain properties may be retained by the Land Board for strategic purposes. Additional properties may be reclassified to the commercial real estate portfolio from other asset classes.

3. Allowable Investments

Per Land Board direction from December 2014, no new Idaho Commercial Real Estate properties may be acquired. There may be expenditures to maintain or re-position existing properties in preparation for sale or lease. Leasing of existing endowment lands for commercial and industrial purposes will continue, as will reclassification of lands into commercial real estate from other asset classes.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to ~~entering~~ into entering an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

The portfolio is overseen by IDL and managed primarily through outside agents, including hiring and oversight of property managers and leasing agents, approving leases and budgets, approving capital expenditures, and executing capital plans. The Commercial Real Estate Advisor may be used to assist in advising, hiring, and managing property managers.

6. Valuation

All properties will be valued by appraisal prior to sale. In the interim, the value established by the Commercial Real Estate Advisor, or Real Estate Broker, will be used for performance measurement and evaluation purposes.

7. Monitoring Standards

IDL will report cash flows for the commercial real estate asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses ~~of~~for managing the asset class. Property will be valued using a combination of appraised values and values established by the Commercial Real Estate Advisor. The most recent independent value will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

H. Minerals/Oil & Gas

1. Definition

Mineral resources are concentrations of materials that are of economic interest in or on the crust of the earth. Oil and gas reserves and resources are defined as volumes that will be commercially recovered in the future.

2. Overall Financial Objective and Benchmark

The asset class will be managed prudently to maximize financial return while complying with all applicable laws and regulations. Royalty payments are transferred to the Permanent Fund while other payments, such as lease or bonus payments, go to the Earnings Reserve Fund.

3. Allowable Investments

Acquisition of mineral rights together with or independent of surface rights is allowed. Acquisition of mineral rights together with surface rights is preferred to avoid a split estate. Acquisition of mineral rights is expected to occur primarily through land exchanges.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

The asset class is directly managed by IDL, and management shall comply with all applicable federal and state statutes, such as the federal Clean Water Act, Idaho Surface Mining Act, Oil and Gas Conservation Act, and Idaho Dredge and Placer Mining Protection Act. Management objectives include the following:

- Manage the mineral asset prudently, efficiently, and with accountability to the endowments.
- Minimize contractual and environmental risks associated with extractive industries.
- Lease lands for potential mineral products that capitalize on market demands.
- Retain mineral rights when land parcels are disposed.
- Seek opportunities to unify the mineral estate.
- Identify programmatic or statutory changes that maximize income from mineral assets.

6. Valuation

The value of Idaho's mineral estate is unknown at this time. Determining the type and volume of locatable minerals in Idaho could be achieved with a cooperative effort between the Idaho Department of Lands, Idaho Geological Survey, and the mineral industry.

7. Monitoring Standards

IDL will report cash flows for the minerals asset class to the general consultant for performance reporting purposes. All net income calculations will be net of all fees and expenses of managing the asset class. Because receipts from minerals extracted flow directly to the Permanent Fund, they are not included in IDL's report of return on assets. The receipts are reported in IDL's annual report.

I. Reclassification of Lands

1. Definition

Endowment land assets were classified by IDL based on the characteristics of the parcels at that time. For example, parcels with timber present were typically classified as timberland, parcels where rangeland vegetation is present were typically classified as rangeland, etc. No determination of higher and better use characteristics was made during the classification process.

Lands within traditional asset classes already owned by the Endowment may become suitable for a higher and better use than the current asset classification. Often these properties exhibit high property values and low annual revenues and may be encroached upon by urban development. The major data sources used to identify lands suitable for reclassification may include:

- Appraised values above the values normally indicative of the current uses.
- Regional land-use planning studies.
- Resource trends and demographic changes.
- Planning and zoning designations if they substantiate IDL's assessment of the classification.

2. Overall Financial Objective and Benchmark

The objective for lands identified for potential reclassification will be to lease the parcels, typically for commercial ~~and/or~~ industrial ~~uses, or sell~~ uses, or dispose of the parcels through land sale. Evaluation of the options for lease or sale will be completed on a case-by-case basis with the assistance of the Commercial Real Estate Advisor. Once the land is reclassified, it will be included under the appropriate revenue producing asset class.

3. Allowable Investments

Lands suited for reclassification are those currently owned by the endowments. Lands should not be acquired where the primary reason for acquisition is reclassification, though reclassification lands may exist within an acquisition. In select cases, improvements such as obtaining zoning and other entitlements may be pursued for ground leasing purposes, to maximize value, or to ready the parcel for sale.

Investment in improvements shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine the long-term financial return and risk to the Endowment. Considerations will include, but are not limited to:

- ~~W~~Whether the return profile is sufficient relative to the risk taken;
- ~~W~~Whether the transaction would facilitate improved management; ~~and~~
- ~~T~~he existence of any potential risks including but not limited to environmental or title-related issues.

Investments in improvements posing any significant risk as described in the due diligence analysis shall be avoided.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

Reclassification activities will focus first on land at the high-end of market values (best markets) and then on land possessing best market potential within the next five to ten years (emerging markets). Reclassification plans will identify land holdings in the best markets, identify emerging markets, and, to the extent practical, parcels held in these markets. Land holdings in the best markets will also include a plan for achieving value potential. Timely disposition of parcels suitable for reclassification will be a management objective to increase asset value and, where the parcels are not income-producing, reduce their “drag” on performance.

Underperforming assets may also present reclassification opportunities. IDL will identify and analyze such lands to determine the best solution to resolve the underperformance. Such analysis will consider:

- Whether management costs can be minimized;

- Whether the lands can be managed differently to increase performance;
- Whether the parcel has the potential for a higher and better use; and
- Whether the endowment is the best long-term owner of the asset.

6. Valuation

Properties suitable for reclassification will be valued based on the highest and best use of the property. Properties will be valued by appraisal prior to sale or on a predetermined schedule pursuant to the terms of the lease or other approved plan.

7. Monitoring Standards

IDL will report cash flows for the lands suitable for reclassification, together with the asset class in which the lands currently exist, to the general consultant for performance reporting purposes. Lands with potential for reclassification currently classified as rangeland will be monitored and reported as part of the rangeland asset class. The reporting will follow institutional reporting standards and conventions.

Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses of managing the asset class. The most recent independent value will be used and adjusted for capital expenditures, sales, and acquisitions during the reporting period.

J. Land Bank

1. Definition

The Land Bank Fund (Land Bank) exists to hold the proceeds from the sale of state endowment land (pending the purchase of other land) or to transfer to the Financial Assets for the benefit of the endowment beneficiaries, per Idaho Code § 58-133.

2. Overall Financial Objective and Benchmark

The Land Board does not control the investment of the funds held in the Land Bank. The Land Bank is invested by the State Treasurer under a financial objective or benchmark established by the Treasurer.

3. Considerations

Funds deposited in the Land Bank, including interest, are ~~continually~~ continuously appropriated to the Land Board. If the funds have not been utilized for land acquisition within five years, they are transferred to the Permanent Fund of the appropriate endowment unless the five-year time limit is ~~extended~~ modified by the legislature.

Land Bank funds may be used to acquire ~~lands-land~~ within traditional asset classes. Land Bank funds may also be used to secure access to endowment ~~lands-land~~ through purchase of easements or parcels of land. When purchasing a parcel of land to obtain access, the acquired parcel may in some cases produce minimal financial return. An easement may represent an expense without any resulting income directly related to the acquisition. In those cases, the evaluation of the acquisition and the projected returns

would consider the additional net income that can be attributed to the access secured, rather than the financial return of only the access parcel.

4. Allowable Investments

Land Bank funds are invested by the State Treasurer in the IDLE pool. IDLE funds are invested according to the IDLE Investment Policy.

5. Management

IDL, in its capacity as the administrative arm of the Land Board, manages deposits to and withdrawals from the Land Bank. Fees for investment management are deducted by the Treasurer.

6. Valuation

The Land Bank is valued by the State Treasurer.

7. Monitoring Standards

IDL will report balances and cash flows for the Land Bank to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses of managing the asset class. Transaction history will be used to account for expenditures and deposits into the Land Bank. For purposes of transparency, the balance in the Land Bank shall be reported as a contingent asset in the notes of the financial statements for the Financial Assets.

VIII. Distribution Policy

A. Objectives

The ultimate purpose of Idaho's land grant endowments is to provide a perpetual stream of income to the beneficiaries. To guide the determination of future distributions for Idaho endowments, the following objectives, in priority order, are established by the Land Board:

- Avoid reductions in total endowment distributions.
- Maintain adequate Earnings Reserves to protect distributions from temporary income shortfalls.
- Grow distributions and permanent corpus faster than inflation and population growth.

B. Considerations

In determining distributions, the Land Board, with assistance from EFIB, considers the following for each endowment:

- Actual and expected return on the fund and income from the land.
- Expected volatility of fund and land income.
- Adequacy of distributable reserves to compensate for volatility of income.

- Each beneficiary's ability to tolerate declines in distributions.
- Need for inflation and purchasing power protection for future beneficiaries.
- Legal restrictions on spending principal.

C. Policy Description

Based on the above objectives and considerations and the expected returns of the entire portfolio (lands and funds), the Land Board establishes the following Distribution Policy:

- Distributions are determined individually for each endowment (currently 5% for all endowments except State Hospital South at 7%).
 - Consideration is being given to move State Hospital South to 5%, but has not been formally adopted as of this update.
- Distributions are calculated as a ~~percent~~ percentage of the three-year rolling average Permanent Fund balance for the most recently completed three fiscal years. The Land Board may adjust this amount depending on the amount in the Earnings Reserves, transfers to the Permanent Fund, and other factors.
- The levels of Earnings Reserves deemed adequate for future distributions are:
 - 7 years – All endowments (Public School, Agricultural College, Charitable Institutions, Normal School, Penitentiary, School of Science, State Hospital South, and University of Idaho)
- The Land Board may transfer any balance in an Earnings Reserve Fund in excess of an adequate level to the corresponding Permanent Fund and designate whether the transfer will or will not increase the Gain Benchmark.
- The principal of the permanent endowment funds, adjusted for inflation, will never be distributed, to protect the future purchasing power of the beneficiaries.

The Distribution Policy was developed based on many analyses, assumptions, and constraints, and its administration requires interpretation of nuances. EFIB has documented these in the Distribution Principles included in [Appendix F](#).

IX. Monitoring and Reporting

A. Philosophy

The Land Board and its agents shall use a variety of compliance, verification, and performance measurement tools to monitor, measure, and evaluate how well the Endowment Assets are being managed. Monitoring, reporting, and evaluation frequencies shall range from real-time performance to daily, weekly, monthly, quarterly, semi-annual, and annualized performance.

The Land Board seeks to answer three fundamental fiduciary questions through the performance monitoring and reporting system:

- Are the assets being prudently managed? More specifically, are assets being managed in accordance with established laws, policies, and procedures, and are IDL and EFIB (and by extension the EFIB's investment managers) in compliance with established policies and their mandates?
- How have the assets performed relative to Land Board approved investment objectives?
- Are the assets being profitably managed? More specifically, has performance affected distributions positively and advanced security of the corpus?

B. Deviation from Policies

If there is a deviation from Land Board investment policies, the IDL and EFIB staff are required to provide the Land Board with a report explaining how the deviation was discovered, the reasons for the deviation, and the impact on endowment performance, if any, and steps taken to mitigate future instances.

C. Financial Assets

1. Reporting at EFIB Level¹

The EFIB Investment Policy requires that performance reports be generated by the investment consultant at least quarterly and communicated to EFIB staff and the EFIB Board. The investment performance of the total Financial Assets, as well as asset class components, will be measured against commonly accepted performance benchmarks as outlined in the EFIB Investment Policy. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement.

Investment managers shall be reviewed regularly, by EFIB staff and the general fund consultant, regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

2. EFIB Reporting to the Land Board

Each month, EFIB staff will provide the following to the Land Board:

- Investment performance, both absolute and relative to benchmark.
- An evaluation of the sufficiency of Earnings Reserve balances (measured by coverage ratio: reserve balance divided by the distribution).
- A summary of any significant actions by EFIB.
- Any compliance/legal issues, areas of concern, or upcoming events.

Part-way through the fiscal year, typically at the May meeting, EFIB shall provide the Land Board with a brief financial summary of fiscal year-to-date activity.

¹ EFIB Investment Policy (see [Appendix C](#)). Management and approval of this policy is a duty delegated to EFIB.

After the end of the fiscal year, typically at the November meeting, EFIB shall provide the Land Board with the following:

- A financial summary for the recently completed fiscal year.
- The report of the Land Board Audit Committee regarding control deficiencies identified by the independent auditor.
- An update on EFIB's Strategic Plan.
- Investment performance for the fund versus strategic (longer-term) measures.
- A report on EFIB meetings, including number of meetings and attendance.

D. Land Assets

1. IDL Internal Processes

IDL staff shall report to the director using the standard reports as described below that are provided to the Land Board. ~~All of~~All the information is reviewed by the director prior to submission to the Land Board.

Each program administered by IDL is managed by a bureau chief and a program manager. Policies and procedures governing daily activities are in place at the bureau or program level but are generally implemented by operations staff.

Decisions related to routine investment and management decisions are typically made at the area office level (or program level) with review by both the operations chiefs and bureau chiefs, subject to the established governance structure.

In the case of more complex investment and management decisions, staff involvement typically includes area office staff, operations chiefs, bureau chiefs, and executive staff to assure adequate due diligence and independent review. More than one member of the executive staff is likely to be involved in the analysis of the information and the final decision. Where necessary, the director retains final decision-making authority as delegated by the Land Board and described in the established governance structure.

2. IDL Reporting to the Land Board

Each month, IDL reports the following:

- Trust Land Management Division activity and information including timber sale revenue and activity and non-timber revenue and activity.
- Updates for ongoing special projects as needed.
- Legal and compliance issues and their status.
- Information necessary for Land Board review and approval of specific items.

IDL also reports the Land Bank Fund balance to the Land Board quarterly.

As previously described, IDL functions under the authority of the Land Board with the Land Board having final approval of many of IDL's policies and management decisions, up to and including review and approval of the IDL budget request prior to submission.

Each month, IDL brings matters forward for Land Board review and approval. Items are discussed first with senior Land Board staff members then placed on the consent agenda, where routine items may be approved without discussion, or the regular agenda, which addresses policy and programmatic items the Land Board may wish to discuss prior to making a decision.

Certain confidential matters may be presented for the Land Board in executive session at the discretion of the Land Board, pursuant to Idaho Code § 74-206.

IDL also produces an annual report to the Land Board, the state affairs committees of the legislature, as well as the public. IDL's overall strategic plan is updated annually and presented to the Land Board prior to submission to the Division of Financial Management.

The Land Board requires IDL staff to prepare and deliver an Asset Management Plan and Business Plans for each land type that explain how the Land Assets will be managed to achieve the Land Board approved investment objectives. This provides the Land Board a focused opportunity to:

- Question and comment on IDL staff's investment and management plans.
- Request additional information and support about IDL staff's investment and management intentions.
- Express its confidence and approval in the Strategic Plan, Asset Management Plan, and Business Plans.

The Land Board requires certain IDL procedures to be audited every 3-5 years:

- Land Transactions >\$1,000,000 shall be subject to a post-audit every five (5) years, and the Land Board's Land Investment Advisor shall review such post-audit and provide a report to the Land Board.

E. Total Endowment

Performance reports generated by the general consultant shall be compiled annually for review by the Land Board. The investment performance of the Endowment, as well as asset class components, will be measured against performance benchmarks outlined in this Statement of Investment Policy and the EFIB Investment Policy.

X. Key Documents

To assist the Land Board, EFIB Staff, and IDL Staff, the following key documents will be produced or reviewed according to the schedule in Exhibit 2.

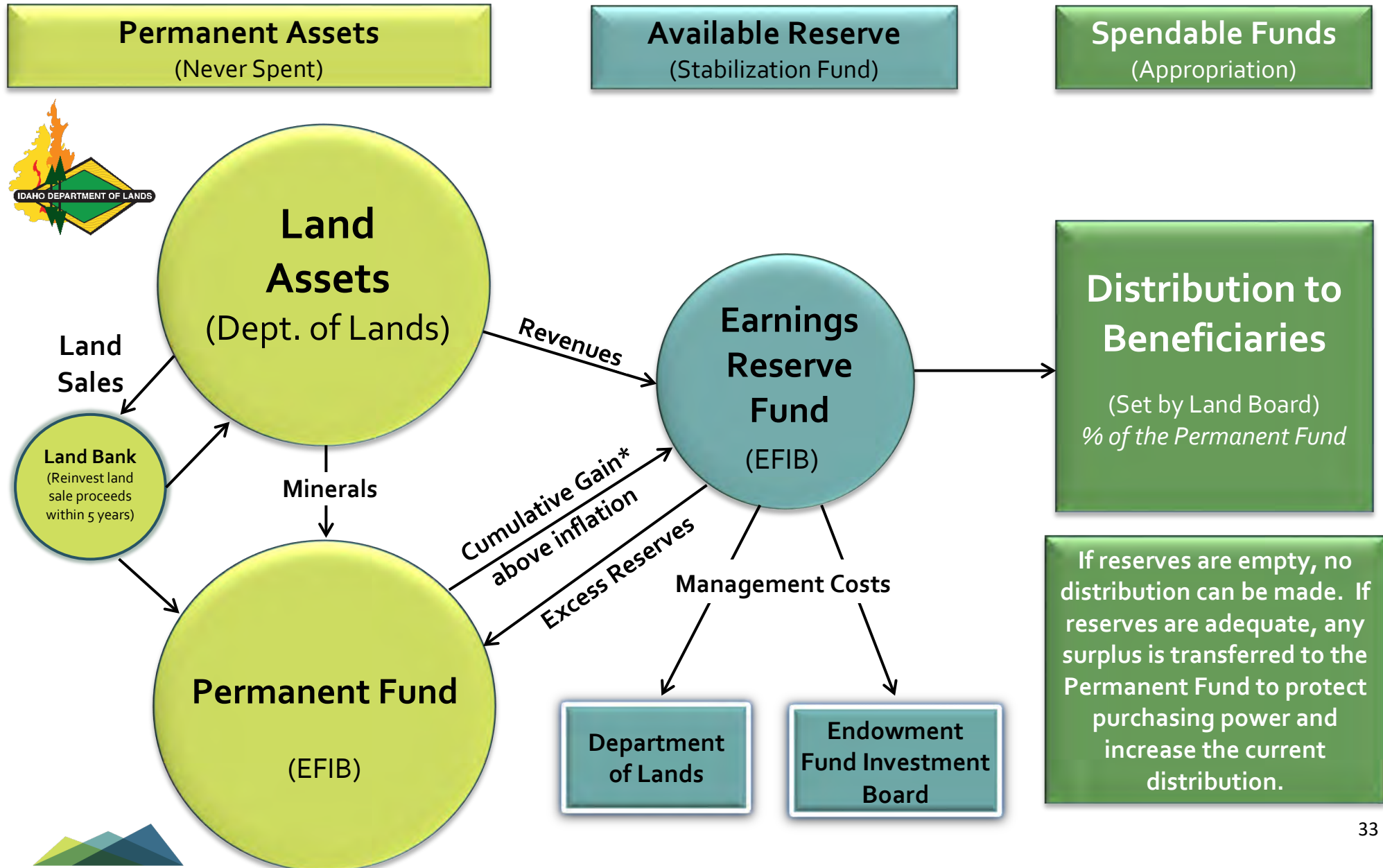
Exhibit 2: Key Documents

Document Name	Document Source	Review Schedule
Performance Review of Fund	General Consultant and EFIB Staff	Monthly and Quarterly
Performance Review Total Endowment	General Consultant, IDL Staff, and EFIB Staff	Annually
Statement of Investment Policy	General Consultant, IDL Staff, and EFIB Staff <i>Reviewed by Investment Subcommittee</i>	Annually
IDL Program Business Plans	IDL Staff	1-5 Years as specified in each plan
IDL Asset Management Plan	IDL Staff	Every 5 Years
Strategic Reinvestment Plan	General Consultant <i>Reviewed by Investment Subcommittee</i>	Every 3 Years
IDL Strategic Plan	IDL Staff	Annually
Asset Allocation	General Consultant	Every 8 years
Monthly Timber Sale Activity Report	IDL Staff	Monthly
Annual Timber Sale Plan	IDL Staff	Annually
Ten-Five Year Forecast of Land Income	IDL Staff	Annually
IDL Annual Budget	IDL Staff	Annually
EFIB Strategic Plan	EFIB Staff	Annually
EFIB Meeting Report	EFIB Staff	Annually
Audit Committee Report	Audit Committee	Annually

XI. Appendices:

- A. Structure of the Endowment**
- B. Constitution and State Statutes**
- C. EFIB Investment Policy**
- D. Use of External Advisors**
- E. Decision-Making Structure Chart**
- F. EFIB's Distribution Principles**

STRUCTURE OF IDAHO'S ENDOWMENT ASSETS



* Total cumulative gain over inflation since June 2000.

Rev 2/9/17

B. Constitution and State Statutes

Constitution of the State of Idaho

[ARTICLE IX](#) EDUCATION AND SCHOOL LANDS

[SECTION 3](#) PUBLIC SCHOOL PERMANENT ENDOWMENT FUND TO REMAIN INTACT

[SECTION 4](#) PUBLIC SCHOOL PERMANENT ENDOWMENT FUND DEFINED

[SECTION 7](#) STATE BOARD OF LAND COMMISSIONERS

[SECTION 8](#) LOCATION AND DISPOSITION OF PUBLIC LANDS

[SECTION 10](#) STATE UNIVERSITY – LOCATION, REGENTS, TUITION, FEES, AND LANDS

[SECTION 11](#) INVESTING PERMANENT ENDOWMENT FUNDS

Idaho Statutes

[TITLE 38 FORESTRY, FOREST PRODUCTS AND STUMPAGE DISTRICTS](#)

[CHAPTER 13 FOREST PRACTICES ACT](#)

[TITLE 57](#) PUBLIC FUNDS IN GENERAL

[CHAPTER 7](#) INVESTMENT OF PERMANENT ENDOWMENT AND EARNINGS RESERVE FUNDS

[TITLE 58](#) PUBLIC LANDS

[CHAPTER 1](#) DEPARTMENT OF LANDS

[CHAPTER 2](#) INDEMNITY LIEU LAND SELECTIONS

[CHAPTER 3](#) APPRAISEMENT, LEASE, AND SALE OF LANDS

[CHAPTER 4](#) SALE OF TIMBER ON STATE LANDS

[CHAPTER 5](#) STATE PARKS AND STATE FORESTS

[CHAPTER 6](#) RIGHTS OF WAY OVER STATE LANDS

[CHAPTER 12](#) PUBLIC TRUST DOCTRINE

[CHAPTER 13](#) NAVIGATIONAL ENCROACHMENTS

[TITLE 68 TRUSTS AND FIDUCIARIES](#)

[CHAPTER 5](#) UNIFORM PRUDENT INVESTOR ACT

C. EFIB Investment Policy

Replace with updated EFIB policy. ~~ENDOWMENT FUND INVESTMENT BOARD~~

~~Commingled Pool Investment Policy~~

~~Date Established: 2000~~

~~Last Reviewed: September 2023~~

~~Last Revised: September 2023~~

~~This Statement of Investment Policy is applicable to:~~

- ~~Public School Permanent Fund and Earnings Reserve Fund~~
- ~~Agricultural College Permanent Fund and Earnings Reserve Fund~~
- ~~Charitable Permanent Fund and Earnings Reserve Fund~~
- ~~Normal Schools Permanent Fund and Earnings Reserve Fund~~
- ~~Penitentiary Permanent Fund and Earnings Reserve Fund~~
- ~~School of Science Permanent Fund and Earnings Reserve Fund~~
- ~~State Hospital South Permanent Fund and Earnings Reserve Fund~~
- ~~University Permanent Fund and Earnings Reserve Fund~~
- ~~Capitol Permanent Fund and Maintenance Reserve Fund~~
- ~~Department of Environmental Quality Bunker Hill Endowment Fund Trust~~
- ~~Department of Environmental Quality Asarco Endowment Fund Trust~~
- ~~Department of Environmental Quality Hecla Endowment Fund Trust~~
- ~~Department of Fish & Game Southern Idaho Mitigation Endowment Trust~~
- ~~Department of Fish & Game Craig Mountain Wildlife Mitigation Trust~~
- ~~Department of Fish & Game Blackfoot Wildlife Mitigation Trust~~
- ~~Department of Fish & Game North Idaho Wildlife Mitigation Trust~~
- ~~Department of Fish & Game North Idaho Wildlife Mitigation Operational Trust~~
- ~~Department of Parks & Recreation Ritter Island Endowment Fund~~
- ~~Department of Parks & Recreation Trail of the Coeur d'Alene's Endowment Fund~~
- ~~Idaho Department of Lands Forest Legacy Stewardship Endowment Funds~~

~~Statement of Philosophy~~

~~This statement of investment policy is set forth by the Endowment Fund Investment Board (EFIB) to:~~

- ~~• Define and assign the responsibilities of all involved parties;~~
- ~~• Establish a clear understanding for all involved parties of the investment goals and objectives of Fund assets;~~
- ~~• Offer guidance and limitations to all involved parties regarding the investment of Fund assets;~~
- ~~• Establish a basis for evaluating investment results;~~
- ~~• Manage Fund assets according to the prudent investor rule; and,~~
- ~~• Establish the relevant investment horizon for which the Fund assets will be managed.~~

~~Statement of Investment Policy~~

~~To assure continued relevance of the guidelines, objectives, financial status and capital market expectations as established in this statement of investment policy, the EFIB will review the policy annually.~~

Investment Objectives

In order to meet its objectives, the investment strategy of the EFIB is to emphasize total return; that is, the aggregate return from capital appreciation, dividend and interest income. The primary objectives are:

- To maintain the purchasing power of the Fund. In order to maintain fair and equitable inter-generational funding, state statute has mandated that the real value of the corpus be protected from inflation;
- To maximize total return over time at an acceptable level of risk;
- To provide relatively smooth and predictable distributions to the beneficiaries; and
- To maintain sufficient liquidity for anticipated expenditures.

General Investment Principles

- Investments shall be made solely in the interest of the beneficiaries of the Funds;
- The Funds shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent expert acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims;
- Investment of the Funds shall be diversified as to minimize the risk of large permanent losses.
- The EFIB will employ one or more investment managers of varying styles and philosophies to support the Funds' objectives;
- Cash is to be employed productively at all times by investment in short-term cash equivalents to provide safety, liquidity, and return; and,
- The investment manager(s) should at all times be guided by the principles of "best execution" when trading securities and acting in the Funds' best interests are the primary consideration.

Assignment of Responsibility

- Responsibility of the Manager of Investments ("MOI") - The MOI serves as a fiduciary and is empowered by the Board to make certain decisions and take appropriate action regarding investment of the Funds' assets. The responsibilities of the MOI include:
 - Developing a sound and consistent investment policy;
 - Establishing reasonable investment objectives;
 - Selecting qualified investment managers after consultation with the Investment Consultant;
 - Communicating the investment policy guidelines and objectives to the investment managers and clients;
 - Monitoring and evaluating performance results to assure that the policy guidelines are being met;
 - Selecting and appointing custodian(s);
 - Discharging investment managers after consultation with the Investment Consultant; and,
 - Taking any other appropriate actions.
- Responsibility of the Investment Consultant(s) - The investment consultant shall be hired by the EFIB. The consultant serves as a non-discretionary advisor to the EFIB. The consultant will offer advice concerning the investment management of the Funds' assets. The investment consultant will act as a fiduciary with respect to the services it provides. The advice will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the investment consultant include, but are not limited to:

- ~~Assisting in the development and on-going review of the investment policy, asset allocation strategy, performance of the investment managers, and objectives and guidelines;~~
- ~~Supporting portfolio optimization and other investment techniques to determine the appropriate return/risk characteristics of the Funds;~~
- ~~Conducting investment manager searches when requested by the MOI and Board;~~
- ~~Monitoring the performance of the investment manager(s) to provide both the MOI and Board with the ability to determine the progress toward achieving investment objectives;~~
- ~~Communicating matters of policy, manager research, and manager performance to the MOI and Board;~~
- ~~Reviewing the Funds' investment history, historical capital markets performance and the contents of this investment policy statement with any newly appointed members of the Board.~~

- ~~Responsibility of the Investment Manager(s)—As a fiduciary, each investment manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in either this statement or in their specific Manager Guidelines.~~

Delegation of Authority

The MOI is a fiduciary to the EFIB and is responsible for directing and monitoring the investment management of Funds' assets. As such, the MOI is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

- ~~Investment Managers—Investment managers hired by the EFIB must be registered with the Securities and Exchange Commission under the Investment Act of 1940, unless inapplicable, or in the case of a banking organization with the Office of the Comptroller of the Currency. Investment managers have discretion to purchase, sell, or hold the specific securities that will be used to meet the Funds' investment objectives. This includes mutual fund or any collective fund portfolio managers.~~
- ~~Custodian—Any custodian hired by the EFIB will maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and affect receipt and delivery following purchases and sales. Any custodian will also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts. Any custodian will provide at a minimum monthly reporting of assets and transactions to the MOI and provide the MOI with any additional data requests. Any custodian will administer proxy statements and corporate action claims on behalf of EFIB.~~

Additional specialists may be employed by the MOI with approval by the EFIB to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

Managers will be held responsible and accountable to achieve the objectives outlined in their specific guidelines. While it is not believed the limitations will hamper investment manager decisions, each manager should request in writing any modifications they deem appropriate.

All expenses for such experts must be customary and reasonable.

Marketability of Assets

Based on the Fund's long-term liquidity requirements, the EFIB desires securities with readily ascertainable market values that trade in liquid markets but recognizes that some allowable assets are valued less frequently by industry established appraisal methods, and may be reported on a lagged basis.

Investment Guidelines

Allowable Assets

Cash Equivalents or other Liquid Assets:	Treasury bills; money market funds; STIF funds; commercial paper; banker's acceptances; repurchase agreements; certificates of deposit.
Fixed Income:	US government and agency securities; bank loans; corporate notes and bonds; residential mortgage backed bonds (agency and non-agency); commercial mortgage backed bonds; municipal bonds, infrastructure securities, USD and non-USD fixed income securities of foreign governments and corporations; planned amortization class collateralized mortgage obligations; or other "early tranche" CMO's; Sequential pay CMO's; collateralized loan obligations, asset-backed securities; convertible notes and bonds; Securities defined under Rule 144 A and Section 4(2) of the Securities Act of 1933; or any other fixed income securities eligible for inclusion in the Bloomberg Barclays Aggregate Bond Index.
Equities:	Common stocks; convertible preferred stocks; preferred stocks; REITS; American depository receipts (ADR's); stocks of non-US companies (ordinary shares);
Real Estate:	Domestic, private, open end, core commingled funds, REITS
ETF's, Mutual or Collective Funds:	ETF's, Mutual Funds, and Collective Funds which invest in securities as allowed in this statement or as permitted in Investment Manager Guidelines. Investment managers will advise the MOI of their intent to utilize ETFs prior to their purchase, what specific ETFs they intend to use and the purposes they serve.
Futures, Options and Swaps:	The EFIB may approve the use of financial index futures and options in order to adjust the overall effective asset allocation of the entire portfolio or it may use swaps, futures or options to hedge interest rate or currency exposure. For example, S&P 500 and 10-Year Treasury futures are used to equitize idle cash and to passively rebalance the portfolio. Futures and options positions are not to be used for speculation, and the EFIB must specifically approve the program for each type of use.

Derivative exposure must have sufficient cash, cash equivalents, offsetting derivatives or other liquid assets to cover such exposures.

Derivatives:

Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, and interest rate swaps, among others. The EFIB will take a conservative posture on derivative securities in order to maintain its risk averse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. Unless a specific type of derivative security is allowed in the Investment Manager Guidelines, the Investment Manager(s) must seek written permission from the EFIB to include derivative investments in the Fund's portfolio. The Investment Manager(s) must present detailed written information as to the expected return and risk characteristics of such investment vehicles.

Prohibited Assets

Prohibited investments include, but are not limited to the following:

- Commodities
- Futures Contracts except as described in previous section "Futures, Options and Swaps";
- Naked Options;
- Residual Tranche CMOs; and
- Purchases of securities on margin and short sale transactions are prohibited.

Asset Allocation Guidelines

Investment management of the assets of the commingled endowment pool shall be in accordance with the following asset allocation guidelines:

- ~~Total Fund Asset Allocation Guidelines (at market value)~~

Asset Class	Range	Target	Rebalance Point	Benchmark
Equities —Domestic Equities	61%–71% 32%–42%	66% 37%	+/-5% +/-5%	MSCI All Country World Index Russell 3000 Index
Large Cap —Growth —Core —Value	22%–30%	26% 5% 16% 5%	+/-4%	Russell 1000 Index Russell 1000 Growth Index S&P 500 Index Russell 1000 Value Index
Mid-Cap —Growth —Value	4%–10%	7.0% 3.5% 3.5%	+/-3%	Russell Mid-Cap Index Russell Mid-Cap Growth Russell Mid-Cap Value
Small Cap —Growth —Value	2%–6%	4% 2% 2%	+/-2%	Russell 2000 Index Russell 2000 Growth Index Russell 2000 Value Index
International Equities —Growth —Value	13%–21%	17.0% 8.5% 8.5%	+/-4%	MSCI ACWI ex-US MSCI ACWI ex-US Growth MSCI ACWI ex-US Value
Global Equity Manager Manager Manager	8%–16%	12% 4% 4% 4%	+/-4%	MSCI All Country World Index MSCI All Country World Index MSCI All Country World Index MSCI All Country World Index
Real Estate	7%–13%	10%	+/-3%	NCREIF ODCE Index
Fixed Income Core Plus Bond Active Aggregate Bond Index Cash and Equivalents	21%–27%	24% 13% 11% 0%	+/-3%	Bloomberg Aggregate Bond Index Bloomberg Aggregate Bond Index Bloomberg Aggregate Bond Index 3-month Treasury Bill Index

Rebalancing of Fund Assets

Understanding that different asset classes will perform at different rates, the MOI and the investment consultant will closely monitor the asset allocation shifts caused by performance. Therefore:

- ~~The MOI will review the relative market values of the asset classes whenever there is to be a net contribution to the Fund and will generally place the new monies under investment in the category(ies) which are furthest below the target allocation in this policy and/or use the opportunity to rebalance the portfolio; and,~~
- ~~The MOI and investment consultant will review the asset allocation quarterly and during periods of severe market change to assure that the target allocation is maintained. If an asset class is~~

~~outside the allowable range, the MOI will take appropriate action to redeploy assets taking into account timing, costs and other investment factors.~~

~~Guidelines for Fixed Income Investments and Cash Equivalents~~

- ~~• The average credit quality of the fixed income portfolio must be investment grade or higher. Individual fixed income securities may be rated below investment grade.~~
- ~~• The average duration of the fixed income portfolio should be +/- 2 years of the Bloomberg Aggregate index.~~
- ~~• Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.~~

~~Investment Performance Review and Evaluation~~

~~Performance reports generated by the investment consultant shall be compiled at least quarterly and presented to the EFIB for review. The investment performance of the total Fund, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The EFIB intends to evaluate investment managers over at least a three-year period.~~

~~Each manager shall maintain a portfolio consistent with characteristics similar to those of the composite utilized for their retention. Investment performance will be measured on a total return basis, which is defined as dividend and interest income plus realized and unrealized capital gains. Each manager will be evaluated in part by regular comparison to a peer group of other managers employing statistically similar investment style characteristics. It is expected that each manager will perform above the peer group median and the appropriate index over rolling three-year periods with respect to both return and risk.~~

~~Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results. The EFIB reserves the right to terminate a manager for any reason.~~

~~GASB 40 Reporting Requirements~~

~~Purpose: The Governmental Accounting Standards Board has identified that state and local governments have deposits and investments which are exposed to risks that may result in losses. GASB Statement number 40 (GASB 40) is intended to inform users of the financial statements about the risks that could affect the ability of a government entity to meet its obligations. GASB 40 has identified general deposit and investment risks as credit risk, including concentration of credit risk and custodial credit risk, interest rate risk, and foreign currency risk and requires disclosures of these risks and of policies related to these risks. This portion of the Investment Policy addresses the monitoring and reporting of those risks.~~

~~In general, the risks identified in GASB 40, while present, are diminished when the entire portfolio is viewed as a whole. Specifically, the risks identified and the measurements required is poorly transferable, if at all, to portfolios like the EFIB, which is dominated by equity exposure.~~

~~It is the policy of the EFIB that the risks addressed in GASB 40 are to be monitored and addressed primarily through the guidelines agreed to by those managers, and by regular disclosures in reports by managers of levels of risks that may exceed expected limits for those portfolios.~~

- ~~Credit Risk: The risk that an issuer or other counterparty to an investment will not fulfill its obligations to the EFIB. GASB 40 requires disclosure of credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations.~~

~~Policy: The Investment Guidelines section of this Investment Policy provides credit quality and maturity guidelines for fixed income and cash equivalent investments. Managers are required to comply with the Investment Policies set forth by the EFIB.~~

- ~~Custodial Credit Risk: The risk that in the event of a financial institution or bank failure, the Fund would not be able to recover the value of their deposits and investments that are in the possession of an outside party.~~

~~Policy: The EFIB minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to the EFIB ownership and further to the extent possible, be held in the Fund' name.~~

- ~~Concentration of Credit Risk: The risk of loss that may be attributed to the magnitude of a government's investment in a single issue.~~

~~Policy: Managers will provide the EFIB with expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, staff will report to the Board at a regular Board meeting if the exposure to a non-US government guaranteed credit exceeds 5% of the total EFIB portfolio.~~

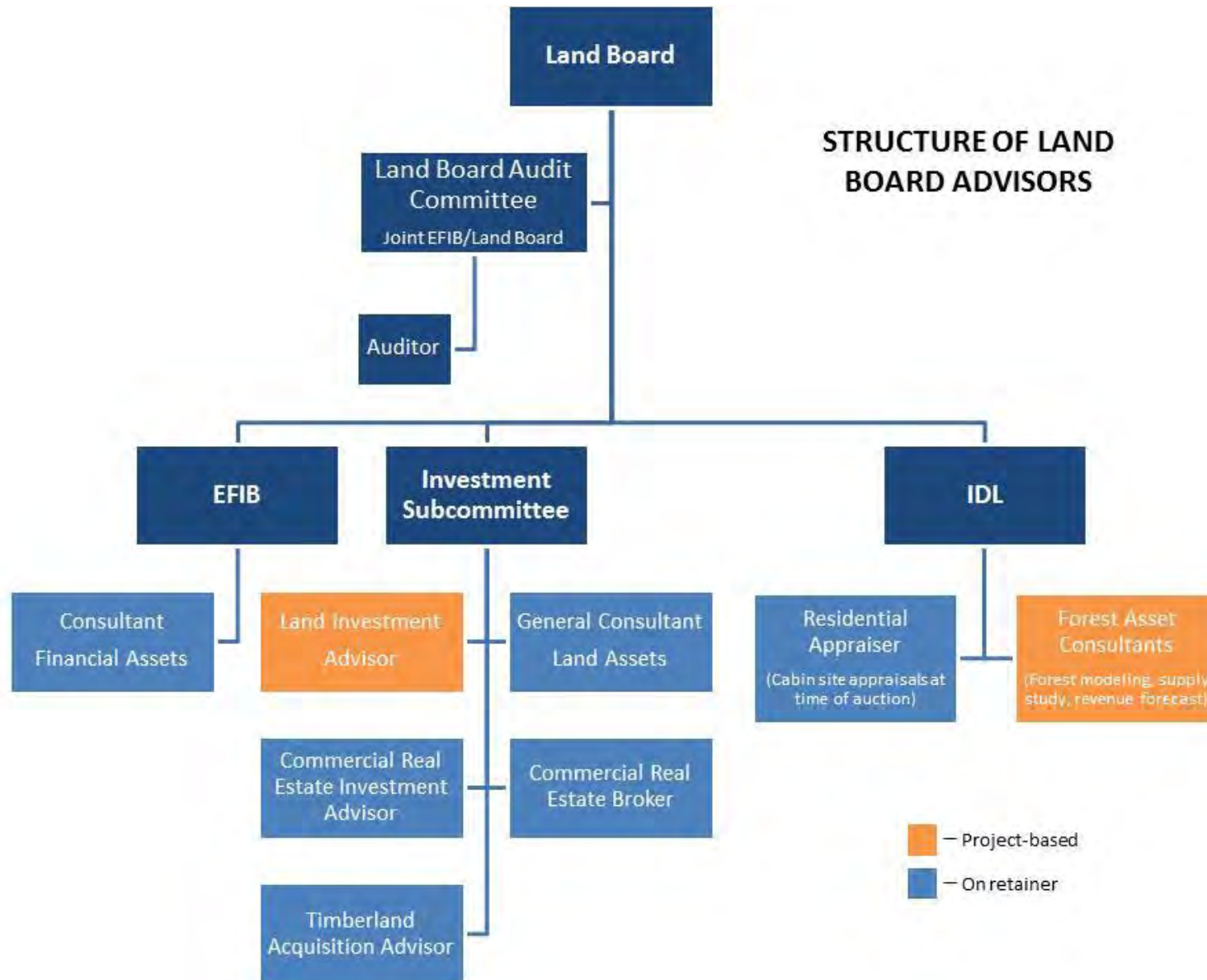
- ~~Interest Rate Risk: The risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk to the EFIB's fixed income portfolio is monitored using the effective duration methodology. Effective duration measures the volatility of the price of a bond given a change in interest rates, taking into account any optionality in the underlying bond.~~

~~Policy: Managers will provide the EFIB with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.~~

- ~~Foreign Currency Risk: The risk that changes in exchange rates will adversely impact the fair value of an investment. The EFIB's currency risk exposures, or exchange rate risk, reside within the international equity and fixed income investment holdings.~~

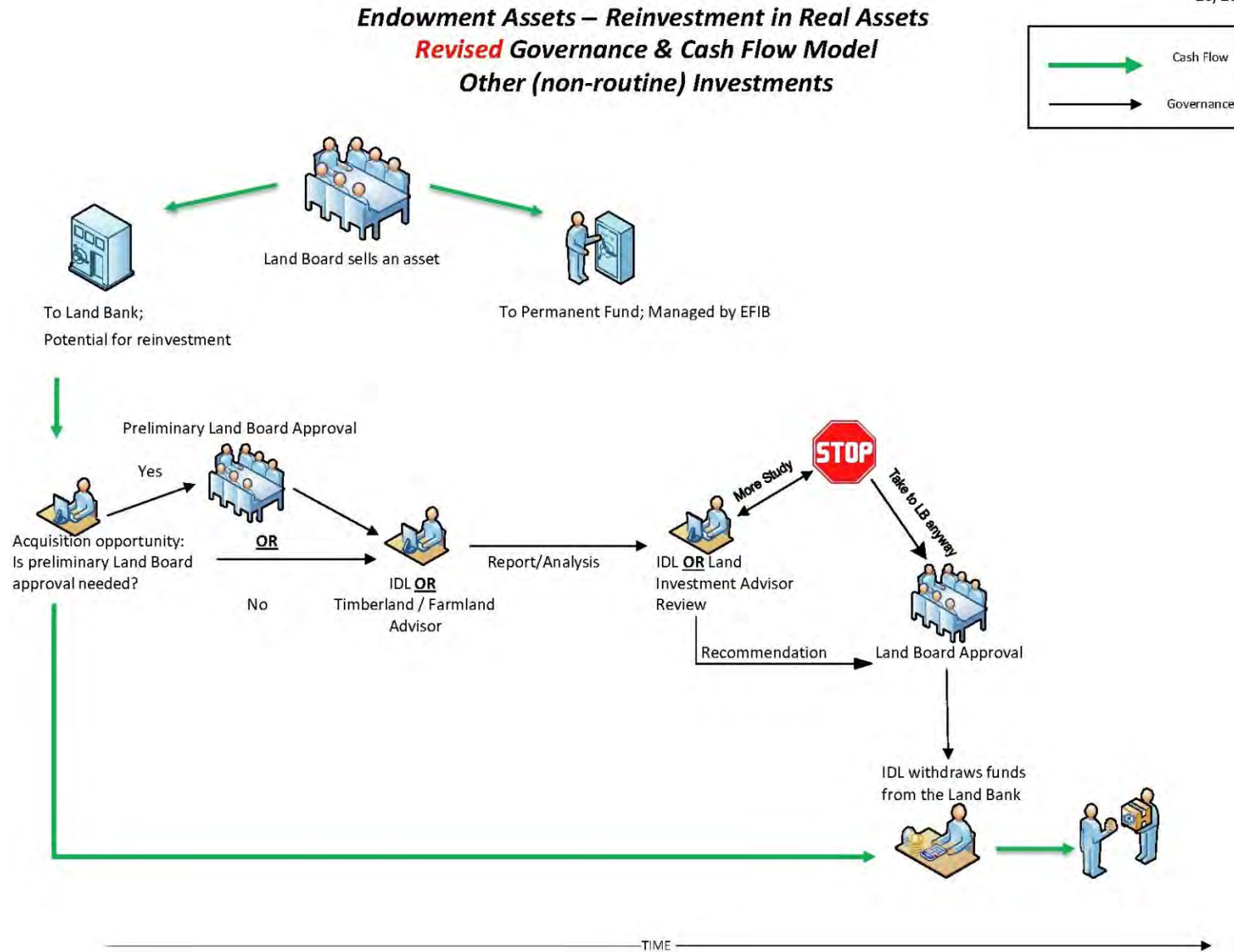
~~Policy: The EFIB permits investing up to 40% of the total portfolio in international securities. The EFIB recognizes that international investments (equity or fixed income) will have a component of currency risk associated with them. The individual manager guidelines will outline the expected currency exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to Staff, and these disclosures are to be made available to the Board.~~

D. Use of External Advisors



E. Decision-Making Structure Chart

10/18/2016



v1014

F. EFIB's Distribution Principles

Summary of Idaho Endowment Fund Distribution Principles, Policy, and Background

By the Endowment Fund Investment Board – Updated July 17, 2018

Mission of Idaho Endowments: Provide a Perpetual Stream of Incomeⁱ

To achieve this mission, Distribution Policy must balance four conflicting objectives:

- Maximize total return over time at a prudent level of risk
- Provide relatively stable and predictable distributions
- Constrain distributions to protect future generations' purchasing power
- Maintain sufficient liquidity for anticipated expenditures

Priorities for Allocating Income

To balance the interests of current and future beneficiaries, the Land Board established the following priorities for allocating endowment revenues and gains:

- First Priority: Avoid reductions in total endowment distributions
- Second Priority: Maintain adequate Earnings Reserves to protect the current level of distributions from temporary income shortfalls
- Last Priority: Increase both distributions and Permanent Fund corpus faster than inflation and population growth

Distribution Policy Management Principles

- Distribute a conservative estimate of long-term sustainable income every year
- Maintain distributions when income temporarily falls below long-term expectations by saving up income in a reserve when it exceeds expectations
- Grow both distributions and permanent corpus proportionately, more than offsetting losses from inflation and dilution from population growth by reinvesting sufficient income back into principal

Constraints on Wasting Principal (Corpus Growth Objectives)

A major risk any endowment faces is that assets will be depleted to satisfy the beneficiary's current needs at the expense of long-term needs. Many states have succumbed to pressure to spend down their endowment funds. Idaho has several protections in place to mitigate this pressure: ⁱⁱ

- Federal law and state Constitution: Prohibits spending original principal, including the proceeds of land sales
- State statute: Requires that principal grow at least at the rate of inflation before any market appreciation of the Permanent Fund can be considered distributable incomeⁱⁱⁱ
- Land Board policy objective: Requires that principal grow faster than the rate of inflation and population growth^{iv}

Determining Annual Distributions^v

Distributions are initially calculated as a percent (the policy distribution rate^{vi}), multiplied by the Permanent Fund balance^{vii} (three-year-average to partly smooth variation in the equity markets)

- Current policy distribution rates are 5% for all endowments except State Hospital South (7%)

Distributions may be further adjusted, up or down, to reflect the reserve balance (and any other relevant factors):

- If reserves are adequate, distributions are maintained even when the Permanent Fund shrinks (actual rate > policy rate)
- If reserves are not fully sufficient (not at target), distributions are maintained even when the Permanent Fund rises (actual rate < policy rate)
- If reserves are unusually low, distributions may be reduced (actual rate < policy rate)

Honoring Beneficiaries' Strong Preference for Sustainable Distributions

Beneficiaries and legislators clearly indicate that a reduction in distributions (if actual income turns out to be low) is much more difficult for them to adjust to than it is to temporarily forego an increase if actual income turns out higher than a conservative expectation. Therefore, it is prudent to base ~~the~~ both the policy distribution rate and the annual distribution on a conservative expectation of fund and land earnings^{viii}.

Determining Transfers to the Permanent Fund^{ix}

Excess income is converted to (transferred to) Permanent Fund corpus when reserves are deemed fully sufficient: i.e., exceed targeted years^x of the planned distribution (six years for Public School and seven years for all other endowments).

Measuring the Balance of Current and Future Beneficiaries' Interests

Over time, balance is achieved when all (and only all) "real" income is distributed.

Balance is specifically measured by the following relationship:^{xi}

- o Actual distributions *plus* growth in reserves
equals
- o Actual income (land & fund), *minus* income converted to principal

Earnings Reserves Serve Two Roles

The Earnings Reserve is not a "rainy day" fund to be drawn down when other state revenues falter. Its purpose is to be a:

1. Buffer against volatility in land income and fund return – a bank for unusually high earnings to be used to maintain distributions in lean times
2. Benchmark to determine when spendable reserves are fully sufficient so that any additional earnings can be reinvested in permanent principal (to maintain purchasing power and sustainably increase distributions)

Investment of the Earnings Reserve Fund

Because the fund intends to hold an adequate level of reserves into perpetuity, this long investment horizon allows reserves to be invested in the same risk/return portfolio mix as the Permanent Fund

- In extreme cases, low reserves may require moving the reserves to a more conservative asset mix (which may lock in losses)

Role of Endowment Distributions in the Overall Appropriation Process

Endowment distributions only satisfy a small portion of each beneficiary's annual spending needs, so those needs are essentially irrelevant in determining distributions. The EFIB recommends the Legislature address total beneficiary needs and short-term variations in tax receipts^{xii} so that distributions can be stable and growing, based solely on the long-term earning capacity of the endowment. A consistent, high-returning asset mix cannot be maintained if distributions vary based on tax revenues.

Endnotes

ⁱ The Mission can also be restated in a more measurable form:

The Idaho Endowments will maximize the prudent distribution if they:

- Earn strong real income in the fund and from the land
- Maintain adequate reserves to prevent reductions in distributions
- Reinvest income to protect future purchasing power

ⁱⁱ To ensure these strict legal protections of the future beneficiary do not overrule the interests of the current beneficiary, Land Board policy requires that distributions grow proportionately with principal over the long term.

ⁱⁱⁱ The statutory method for achieving inflation protection is measured by the "Gain Benchmark" (June 2000 original principal, adjusted for deposits and inflation). The cumulative total appreciation below inflation must be retained in the Permanent Fund, but any excess (measured at fiscal year-end) flows to Earnings Reserve as income, generally in September (this can be a large amount in one year or zero for several years).

^{iv} The Land Board policy objective of keeping up with population growth:

- o Makes real per capital distributions equivalent, current vs. future
- o Is achieved by transferring (reinvesting) sufficient excess retained income from Reserves to Permanent Fund principal so it can never be spent

The current assumed population growth is 1.8% per year, except for Public School which is assumed to be 1.0% per year.

^v Distributions can be changed at any time, but to facilitate the budget process, are usually determined annually at the August Land Board meeting for the following fiscal year.

^{vi} The policy distribution rate is based primarily on a conservative estimate of expected total income. When expected long-term earnings change significantly, the policy distribution rate should change (see note 10). However, to protect the corpus, the policy rate should not be raised (i.e., distributions constrained) if Permanent Fund balance objectives have not been achieved.

^{vii} Calculating distributions as a percentage of the Permanent Fund is both a mechanism and an incentive to balance the interests of current and future beneficiaries. This structure ensures that:

- In normal conditions, distributions to current beneficiaries increase proportionately with the permanent fund balance
- Increases in distributions are sustainable (supported by sufficient permanent assets)
- Holding excess reserves is discouraged

Transfers from Earnings Reserve, both historical and approved but not completed, are added to the annual amounts used in calculating the three-year average Permanent Fund balance.

^{viii} To reflect the desired conservative bias in setting policy distribution rates:

- Policy distribution rates should be increased only based on a conservative “downside” forecast of long-term income: e.g., 25th percentile fund earnings and 20th percentile land revenue forecasts
- Policy distribution rates should be reduced if the current rate can only be justified with optimistic earnings and revenue forecasts. Ideally, the reduction in the rate would be accomplished by holding the distribution (in dollars) constant for a long period. However, an immediate cut in the absolute dollars would be required if reserves are low.

To reflect a conservative bias in setting annual distributions, the viability of a proposed distribution is tested by forecasting the coverage ratio over the next three years based on a “low” forecast of timber earnings and a 2% fund return.

It is impossible to eliminate the possibility of a reduction in distributions, but the policy is designed to allow at least two years warning of a potential reduction, consistent with the time lags inherent in the state budgeting process. If a fund is unable to make an appropriated distribution, that would be considered a catastrophic failure of the process. In the past, three endowments have experienced catastrophic failures (i.e., had insufficient reserves to pay promised distributions): Public School (2003), Ag College (2005) and Charitable Institutions (2005).

^{ix} Transfers of excess reserves to the Permanent Fund are generally approved annually at the August Land Board meeting, based on balances as of the previous year end and approved distributions for the next fiscal year, but actually done in September

Requiring that reserves which exceed a sufficient or target level be converted to corpus (i.e., transferred to the Permanent Fund) reduces the temptation to:

- Make large, one-time distributions of accumulated income to the detriment of future beneficiaries
- Hoard income to avoid an increase in distributions that would automatically result from a conversion

^x The determination of how many years of reserves is sufficient was based on the combined volatility of fund returns and net land revenues, which is heavily influenced by the fact that in a severe equity downturn (once every 25 years), no distributable income would be available from the Permanent Fund for about five years because the Permanent Fund would retain all of its income to rebuild the corpus. A temporary increase in the years of reserve, above the targeted level, may be called for if there is a temporary reduction in expected income (e.g., timber harvest is predicted to be unusually low). Reserves for the three endowments with cabin site dispositions will be allowed to rise up to a year above target, pending an update of the distribution models to reflect the impact of the dispositions on the desired reserve levels.

^{xi} There will always be temporary deviations from this balance because actual income after inflation will vary from the expectations used to establish the distribution rate.

^{xii} The Land Board has the legal authority to consider a beneficiaries' other sources of revenue in setting distributions and therefore could attempt to adjust distributions in response to changes in tax receipts or fund income. However, only the Legislature has the Constitutional responsibility and authority to balance a beneficiary's total spending in excess of endowment distributions with tax revenues. When endowment distributions decline, the Legislature can choose to provide tax revenues to maintain the total level of spending they believe is appropriate. When endowment distributions rise, the Legislature can choose to reduce tax revenues to maintain the level of total spending they believe is optimal. The Land Board has no control over tax revenues and would be unable, without the Legislature's consent, to adjust distributions in response to changes in tax receipts. Also, the Legislature is in a better position than the Land Board to balance a beneficiary's unfunded needs with all other expenditure requests and options to increase or decrease tax revenues.

Statement of Investment Policy

Idaho Land Grant Endowments

As overseen by the:

Idaho Board of Land Commissioners



INCLUDES FUNDS MANAGED BY THE ENDOWMENT FUND INVESTMENT BOARD



INCLUDES LAND MANAGED BY THE IDAHO DEPARTMENT OF LANDS

November 18, 2025

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Table of Contents

I.	Introduction.....	1
II.	Purpose.....	1
III.	Constitutional and Statutory Requirements	1
	A. Land Board.....	1
	B. Sole Interest of the Beneficiaries	2
	C. Prudent Investments and Fiduciary Duties	2
	D. Sales, Exchanges, and the Land Bank	2
	E. Other Constitutional Requirements and Statutes.....	3
IV.	Investment Goals.....	3
	A. General Objective.....	3
	B. Considerations.....	3
	C. Investment Return Objective	4
	D. Distribution Policy	4
V.	Investment Risk and Strategic Asset Allocation	4
	A. Asset Class Diversification Asset Classes.....	4
	B. Review of Asset Classes and Asset Allocation	4
	C. Strategic Asset Allocation.....	5
	D. Strategic Policies.....	6
VI.	Investment Governance Structure	6
	A. Land Board Responsibility	6
	B. Investment Governance and Investment Policy for the Financial Assets	9
	C. Investment Governance for Land Assets.....	10
	D. Role of the Legislature.....	12
VII.	Asset Class Policies for Land Assets.....	12
	A. Investment Objective for the Land Assets	12
	B. Key Elements of the Land Strategy.....	13
	C. Timberland	14
	D. Rangeland	16
	E. Residential Real Estate	18
	F. Farmland.....	19
	G. Idaho Commercial Real Estate.....	21
	H. Minerals/Oil & Gas	22

I.	Reclassification of Lands.....	23
J.	Land Bank	25
VIII.	Distribution Policy	26
A.	Objectives	26
B.	Considerations.....	26
C.	Policy Description	26
IX.	Monitoring and Reporting.....	27
A.	Philosophy	27
B.	Deviation from Policies.....	27
C.	Financial Assets	28
D.	Land Assets	28
E.	Total Endowment	30
X.	Key Documents.....	31
XI.	Appendices:	32
A.	Structure of the Endowment.....	33
B.	Constitution and State Statutes	34
C.	EFIB Investment Policy	35
D.	Use of External Advisors.....	44
E.	Decision-Making Structure Chart	45
F.	EFIB’s Distribution Principles.....	46

I. Introduction

The State Board of Land Commissioners (Land Board) hereby establishes this Statement of Investment Policy (Statement) for the investment and management of the land grant endowment assets (Endowment Assets or Endowment) of the State of Idaho. Endowment Assets were created by The Idaho Admissions Act in 1889 which granted the new state approximately 3,600,000 acres of land for the sole purpose of funding fourteen specified beneficiaries including nine different trusts or endowments.

This Statement provides policies for the investment and management of financial and land assets which together comprise the Endowment Assets. Financial Assets consist primarily of the invested revenues from the endowment lands (collectively, Financial Assets). Land Assets include timberland, rangeland, farmland, commercial real estate, residential real estate, minerals, and oil and gas (collectively, Land Assets) located in Idaho.

II. Purpose

This Statement of Investment Policy is set forth by the Land Board to accomplish the following:

- Establish a clear understanding for all involved parties regarding the management and investment goals and objectives for the Endowment Assets.
- Establish guidance and limitations to all involved parties regarding the management and investment of Endowment Assets.
- Define and assign the responsibilities of participants involved in the investment process.
- Establish a basis for evaluating investment and management results.
- Manage Endowment Assets according to prudent standards established in the Idaho Constitution and trust law.
- Establish the relevant investment horizon for which the Endowment Assets will be managed.

III. Constitutional and Statutory Requirements

The investment and management of the Endowment Assets will be in accordance with the Idaho Constitution, all applicable laws of the State of Idaho, and other pertinent legal restrictions. In the event this Statement is inconsistent with Constitutional or Statutory Requirements (Requirements), those Requirements will control.

A. Land Board

Article IX, Section 7 of the Constitution establishes the Land Board: “The governor, superintendent of public instruction, secretary of state, attorney general and state controller shall constitute the state board of land commissioners, who shall have the direction, control and disposition of the public lands of the state, under such regulations as may be prescribed by law.”

B. Sole Interest of the Beneficiaries

All Endowment Assets of the State of Idaho must be managed “in such manner as will secure the maximum long-term financial return” to the trust beneficiaries.

C. Prudent Investments and Fiduciary Duties

The Land Board and its agents, including staff, the Idaho Department of Lands (IDL), the Endowment Fund Investment Board (EFIB), consultants, advisors, and investment managers shall exercise the judgment and care of a prudent investor as required under the prudent investor rule set forth in the Uniform Prudent Investor Act (Act), Idaho Code §§ 68-501 to 68-514.

Endowment Assets shall be invested and managed with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent expert acting in like capacity and familiar with such matters would use in the investment and management of assets of like character with like aims.

The Act states, in part, that: “A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution”; and, “A trustee’s investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.”

The duty of prudence requires trustees to bring the appropriate level of expertise to the administration of the trust. An implied duty of trustees is also to preserve and protect the assets with a long-term perspective sensitive to the needs of both current and future beneficiaries.

D. Sales, Exchanges, and the Land Bank

Article IX, Section 8 of the Idaho Constitution includes the following restrictions regarding the sale of lands:

- All land disposals must occur via public auction
- A maximum of 100 sections (64,000 acres) of state lands may be sold in any year
- A maximum of 320 acres may be sold to one individual, company, or corporation (160 acres for University endowment lands per Article IX, Section 10)
- No state lands may be sold for less than the appraised value
- Granted or acquired lands may be exchanged on an equal value basis with other lands subject to certain restrictions

Article IX, Section 4 of the Idaho Constitution provides for the deposit of the proceeds from the sale of school lands into the Land Bank Fund to be used to acquire other lands within the state for the benefit of endowment beneficiaries, subject to a time limit established by the legislature.

Idaho Code § 58-133 provides conditions for use of the Land Bank Fund. In summary, the Land Bank Fund exists to hold the proceeds from the sale of state endowment land pending the purchase of other land in Idaho for the benefit of the endowment beneficiaries. Funds in the Land Bank, including earnings, are continually appropriated to the Land Board. If the funds have not been utilized for land acquisition within five years, they are transferred to the permanent endowment fund of the respective endowment. The Land Board may transfer any portion of the funds in the Land Bank to the Permanent Fund at any time.

E. Other Constitutional Requirements and Statutes

Additional constitutional articles and state statutes are described throughout this Statement.

[Appendix B](#) includes the entirety of the constitutional articles and statutes that apply to the investment and management of Endowment Assets.

IV. Investment Goals

A. General Objective

The stated mission for Endowment Assets is to provide a perpetual stream of income to the beneficiaries by managing assets with the following objectives:

- Maximize long-term financial return at a prudent level of risk.
- Provide relatively stable and predictable distributions to the beneficiaries.
- Ensure distributions maintain financial equity for current and future generations of beneficiaries.
- Maintain sufficient liquidity for anticipated expenditures and anticipated/expected distributions.

B. Considerations

Primary considerations impacting the fulfillment of the investment mission and objectives include the following:

- Constitutional and statutory requirements as noted previously. Constitutional restrictions are considered permanent given the process required to amend the Constitution (approval by a two-thirds majority in the House of Representatives and Senate followed by ratification by the citizens of Idaho via a general election ballot or a constitutional convention).
- Managing revenue and profit-generating activities within a government agency.
- Each trust holds its Financial Assets in a commingled pool (with shares owned by several trusts) but its Land Assets in specific and unique tracts.

C. Investment Return Objective

As perpetual assets, according to the State Constitution and statute, the Endowment has a perpetual investment horizon. The investment return objective for the Endowment Assets is to earn over a long period an annualized real return, net of fees, expenses, and costs, above spending and inflation (per Idaho Code § 57-724) as well as population growth (per Land Board policy). Given the current financial and land asset mix, the Endowment is expected to earn a real net return of 4.6% annually over the long term.

D. Distribution Policy

The Distribution Policy adopted by the Land Board (further described in Section VIII) sets annual distributions to beneficiaries. The interaction of investment and distribution policies should balance the needs of current and future beneficiaries. The Land Board's policy is to distribute a conservative estimate of long-term sustainable income and hold sufficient reserves of undistributed income to absorb down cycles in endowment earnings. It is a priority to avoid reductions in distributions because most beneficiaries depend on endowment distributions to fund ongoing operations.

V. Investment Risk and Strategic Asset Allocation

A. Asset Class Diversification Asset Classes

Risk, as it relates to stability of distributions, shall be managed primarily by holding reserves of undistributed income. Risk, as it relates to the volatility of earnings of the Endowment Assets, shall be managed primarily through diversification. Subject to land disposal restrictions, the Endowment Assets will be diversified both by asset class and within asset classes to the extent practical. The purpose of diversification is to provide reasonable assurance that no single asset class will have a disproportionate impact on the Endowment. Both quantitative measures and qualitative judgment will be used in assessing and managing risk.

B. Review of Asset Classes and Asset Allocation

In setting strategic asset allocations, the Land Board will focus on ensuring the Endowment's expected long-term returns will be sufficient to meet expected long-term obligations with a prudent level of risk. Approximately every eight years, the Land Board will evaluate the asset allocation mix and conduct an asset allocation study (last completed in 2022) to determine the long-term strategic allocations to meet risk/return objectives.

Significant changes in capital market assumptions, portfolio characteristics, timber income expectations, or the Distribution Policy may cause the Land Board to accelerate the timing of an asset allocation study. For example, the illiquidity of much of the Land Assets may require the target asset mix of the Financial Assets be adjusted due to significant land sales or acquisitions or the appreciation of the Financial Assets at a faster or slower rate than the appreciation of the Land Assets.

EFIB will review the Distribution Policy annually. When key assumptions in the Distribution Policy change, such as expected earnings and volatility, EFIB will recalculate the risk of shortfalls in future distributions and provide recommendations on policy adjustments to the Land Board.

C. Strategic Asset Allocation

In 2022, the Land Board commissioned an update of the asset allocation study based on the schedule directed by this investment policy statement. The purpose was to update the return forecasts for land and financial assets and the expected return and risk for the total endowment trust. The update was accepted by the Land Board in June 2022.

The current asset mix for the total endowment is presented in Exhibit 1 below:

Exhibit 1: Asset Allocation

Asset Class	Actual Asset Allocation June 30, 2025	Valuation June 30, 2025
Financial Assets	65.08%	\$3,588,670,608
Timberland	29.22%	\$1,611,155,715
Rangeland	1.15%	\$63,385,840
Cash Equivalents (Land Bank)	1.38%	\$76,019,358
Residential Real Estate	1.15%	\$63,148,440
Commercial Real Estate	0.77%	\$42,596,000
Farmland	1.26%	\$69,600,319
Total	100%	\$5,514,576,280
Expected Return (net)	7.14%	
Expected Risk (Standard Deviation)	12.3%	
Inflation Assumption	2.50%	

Percent may not total to 100% due to rounding

Based on Callan's 2025 Capital Market Expectations, over a 10-year period, the current asset allocation is expected to generate a nominal return in excess 7.1% net of fees. Using an inflation assumption of 2.50% results in an expected real net return of 4.6%. The volatility level (standard deviation) associated with this asset mix is approximately 12.3%. The Land Board recognizes the actual 10-year return may deviate significantly from this expectation.

The Land Board acknowledges the link between the asset allocation and the Distribution Policy. If an asset allocation mix is selected that deviates from the risk and return of the current asset allocation, the Land Board, in consultation with EFIB, will assess the impact on the Distribution Policy and change the Distribution Policy as necessary. In broad terms, changes in long-term expected return will impact the estimated level of sustainable distributions while changes in risk, as measured by volatility of returns, will impact the desired level of reserves.

EFIB will review the asset allocation for the Financial Assets per the EFIB Investment Policy and present it to the Land Board as an informational item.

D. Strategic Policies

In addition to asset allocation, the Land Board may from time to time authorize or adopt strategic policies. “Strategic Policies” are actions by the Land Board to allow investment in asset types that have not been singled out as “asset classes” in the asset allocation process, to overweight a particular sector within an asset class, or to employ particular strategies in the investment of the Endowment Assets. The purposes of these actions are either to increase the return above the expected return or to reduce risk. Any such policy would include consideration of the change in risk, the change in return, and the impact on the Distribution Policy.

VI. Investment Governance Structure

The Idaho Constitution provides that the endowment funds are held in trust and administered by the Land Board as trustees. The Constitution further provides that the Idaho Legislature may establish a statutory structure for administration that is consistent with the nature of the trusts. Accordingly, the Idaho Legislature created a structure that established EFIB as the manager of the Financial Assets, established the appropriations process for the payment of trust management expenses, and created IDL to serve as the manager of the Idaho Land Assets of each trust. The constitutional and statutory provisions, together with Land Board policy, establish the governance structure for Endowment Assets.

A. Land Board Responsibility

Management of the Endowment Assets is entrusted to the Land Board, which serves as the sole fiduciary of both the Land Assets and Financial Assets. The Land Board is ultimately responsible for all management and investment activities. The powers and duties of the Land Board are fully described in Idaho Code § 58-104.

In exercising these responsibilities, in addition to EFIB and IDL, the Land Board may hire personnel and agents and delegate investment functions to those personnel and agents consistent with constitutional and statutory provisions. Where the Land Board does not or cannot delegate investment powers or duties, the Land Board will either satisfy itself that it is familiar with such matters or will retain people who are familiar with such matters to consult or assist in the exercise of those responsibilities. Where the Land Board delegates a responsibility, it will be delegated to a person who is familiar with such matters, and the Land Board will monitor and review the actions of those to whom responsibilities are delegated.

1. General Roles and Responsibilities

The Land Board’s general role and responsibilities regarding investments include, but are not limited to the following:

- Direct and oversee the conduct and operations of EFIB and IDL.
- Appoint and consult with expert advisors (including EFIB and IDL) for each critical function for which the Land Board has responsibility. In this context, the term “expert advisor” shall mean a person engaged in the business for which he holds himself out to be an expert and who is experienced in that field.
- Plan and establish strategic policies to coordinate the management of state endowment lands with the management of the endowment funds.
- Provide reports on the status and performance of state endowment lands and the respective endowment funds to the state affairs committees of the Senate and the House of Representatives within fourteen days after a regular session of the legislature convenes.
- Make strategic decisions, primarily concerning asset allocation, and establish and/or approve endowment land asset investment and management policies and strategies.
- Reclassify land assets due to change in land use or management, change in adjacent or nearby land use or management, increased value or revenue potential, or for any reason deemed sufficient by the Land Board.
- Periodically review this master investment policy and any sub-policies.
- Monitor the compliance of EFIB and IDL with the investment policies and strategy determined by the Land Board and the execution of the strategy.
- Hire agents in addition to IDL and EFIB to assist the Land Board in the implementation of strategy or investment policies.
- Approve the IDL annual budget request for consideration by the governor and legislature (including review of appropriation requests to IDL from Earnings Reserves).
- Approve the annual allocation of Earnings Reserve Funds as provided in Idaho Code § 57-723A (Distribution Policy), specifically how much is: distributed annually to beneficiaries; retained for future distribution; and, transferred to the Permanent Fund to build corpus.
- Approve the annual timber sale plan and certain timber sales that fall outside of the IDL director’s authority.
- Review the IDL director’s monthly trust land activity report showing the proposed sales for the next month as well as all other recorded activities on endowment lands.
- Approve large routine land investment decisions that exceed the authority of the IDL director.
- Approve certain other land investment decisions that exceed the authority delegated to the IDL director.
- Approve rulemaking and legislation for IDL.
- Review decisions of the IDL director upon appeal in contested matters.

2. Land Board Investment Subcommittee

a) Structure of the Investment Subcommittee

The Land Board established and authorized the Subcommittee in December 2014. The current composition of the Subcommittee is one EFIB member (selected by the EFIB chair), the EFIB manager of investments, and the IDL director.

b) General Roles and Responsibilities of the Investment Subcommittee

The Investment Subcommittee provides review and advice to the Land Board. The primary purpose of the Investment Subcommittee is to coordinate investment issues that cross both the Land Assets and the Financial Assets, including the following:

- Administer the contract for the general consultant and other consultants, as assigned by the Land Board.
- Work with the general consultant to identify the Land Board's advisor(s) and consultants, including the Land Investment Advisor(s), Land Acquisition Advisor(s), Commercial Real Estate Broker, and the Land Board's Commercial Real Estate Investment Advisor.
- Work with the general consultant and recommend the Statement of Investment Policy and Asset Management Plan to the Land Board.
- Recommend policy regarding implementation of land exchanges on endowment lands.
- Recommend policy (consistent with Idaho Code § 58-133) regarding the use of proceeds from the disposal of assets (e.g., cabin sites, commercial real estate, grazing lands). This may include deposit in the Permanent Fund or holding of proceeds in the Land Bank Fund to acquire additional endowment land assets in Idaho (excluding commercial buildings consistent with past Land Board decision), access to currently owned endowment lands, or to block-up ownership of endowment lands.

3. Use of Outside Experts

The Land Board employs outside advisors and consulting firms to provide specialized expertise, assist IDL with transactions, and verify or review IDL's and EFIB's investment and operational activities and procedures.

a) Non-Discretionary Investment Consultants

The Land Board may hire a qualified independent consultant or consultants (including a general consultant) for strategic and annual plan reviews, review of new investment initiatives, investment policy development and review, asset allocation, advisor selection and monitoring, and performance measurement. Investment consultants will be fiduciaries with respect to the services provided and will act in a non-discretionary capacity with no decision-making authority.

b) Commercial Real Estate Advisor

The Land Board may use a commercial real estate advisor to advise on the Idaho commercial property portfolio or properties being considered for reclassification. The commercial real estate advisor will provide analysis and management expertise on the retention, leasing, disposition, and management of the properties. The commercial real estate advisor will be a fiduciary with respect to the services provided and act in a non-discretionary capacity with no decision-making authority.

c) Land Acquisition Advisors

The Land Board may use land acquisition advisors to source land acquisitions, facilitate completion of due diligence services, and make recommendations. Due diligence services may include appraisals, review appraisals, timber cruise and check cruise, financial evaluation, mineral and water right

identification, encumbrance review, survey, and title review. Land acquisition advisors will be fiduciaries with respect to the services provided and act in a non-discretionary capacity with no decision-making authority.

d) Land Investment Advisor

The Land Board may use a land investment advisor(s) to independently review certain land investment decisions proposed by IDL (land disposal, land acquisition, exchange, and new tenant improvements) that are over \$250,000. The land investment advisor will review the post-audit completed by IDL for transactions over \$1,000,000. The land investment advisor may be used for independent review of IDL procedures. The land investment advisor will be a fiduciary with respect to the services provided and act in a non-discretionary capacity with no decision-making authority.

e) Auditor

Idaho Code § 57-720 requires the Financial Assets of the endowment be reviewed by an independent auditor. The independent auditor also reviews the application of agreed upon procedures for the IDL income statement. To oversee this process, and any other audits it deems prudent, the Land Board has established the Land Board Audit Committee, consisting of the attorney general (or designee), the state controller (or designee), and three members of EFIB, appointed by its Chair.

B. Investment Governance and Investment Policy for Financial Assets

Idaho Code § 57-718 created EFIB which formulates policy for and manages the investment of Financial Assets, which consists primarily of the invested revenues from the endowment lands. As permitted in Idaho Code § 57-720, the fund assets of all nine endowments, both Permanent Funds and Earnings Reserve Funds, may be combined in a single investment pool.

1. Mission of EFIB

The mission of EFIB is to provide professional investment management services to its stakeholders consistent with its constitutional and statutory mandates.

2. Structure of EFIB

Per Idaho Code § 57-718, EFIB consists of nine members appointed by the governor and confirmed by the Senate. These members are one state senator, one state representative, one professional educator, and six members of the public familiar with financial matters.

3. General Roles and Responsibilities of EFIB and Agents

With a citizen board and small staff, EFIB will make strategic allocations and generally avoid making tactical calls. The Board and staff will concentrate on the following activities:

- Making strategic decisions, primarily concerning asset allocation.
- Establishing investment policy for the funds.
- Recommending Distribution Policy and transfers of Earnings Reserves to the Land Board.
- Establishing Distribution Policy for the Capitol Permanent Fund.

- Selecting, monitoring, and terminating investment managers, consultants, and custodians.
- Selecting and directing staff.
- Approving an investment management expense budget from Earnings Reserves for consideration by legislative appropriation.
- Overseeing a credit enhancement process to reduce interest rates on Idaho school bonds through the pledge of certain assets of the Public School Endowment Fund.
- Maintaining a reporting system that provides a clear picture of the status of the Financial Assets.

4. Professional Staff

EFIB will maintain staff with investment expertise, including a Manager of Investments (MOI) who is a fiduciary to EFIB. The MOI is responsible for directing and monitoring the investment management of the Financial Assets.

5. Use of Outside Experts

The Financial Assets will be invested by professional investment firms. No funds will be managed internally. EFIB will also employ one or more outside consulting firms to provide specialized expertise and assist in, among other things, asset allocation, manager selection and monitoring, and performance measurement.

6. Investment Policy Statement for Financial Assets

EFIB will maintain a detailed Investment Policy that pertains specifically to the management and investment of the Financial Assets ([Appendix C](#)). The Land Board is not required to approve this investment policy as this duty is delegated to EFIB.

C. Investment Governance for Land Assets

Idaho Code § 58-101 created IDL to serve as the internal investment and asset manager of the Land Assets of each trust. This role includes authorization to make certain investment decisions consistent with the established governance structure and includes day-to-day operating responsibilities for the Land Assets. This contrasts with the EFIB structure where implementation and day-to-day decision making is delegated to external investment managers subject to approved guidelines and contracts.

The Land Assets include timberland, rangeland, farmland, commercial real estate, residential real estate, minerals, and oil and gas (collectively “Land Assets”) located in Idaho.

1. Mission of IDL

The mission of IDL is to professionally and prudently manage Idaho’s Land Assets to maximize long-term financial returns to public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect, and sustain their natural resources.

2. Structure of IDL

IDL operates under the direction of the Land Board and is the administrative arm of the Idaho Oil and Gas Conservation Commission. IDL is led by a director who is employed by and is supervised by the Land Board. The director’s staff includes two deputy directors, a division administrator for Forestry and Fire

(currently serves as State Forester), a division administrator for Trust Land Management, a division administrator for Minerals, Navigable Waters, and Oil & Gas, a division administrator for Operations, and General Counsel—collectively, the executive staff. Each of the positions identified above supervises various professional, technical, and administrative support staff.

3. General Roles and Responsibilities

IDL manages more than 2.5 million acres of Idaho Land Assets (and additional acreage of retained mineral rights) under a constitutional mandate to maximize long-term financial returns for the sole benefit of public schools and certain other state institutions enumerated in statute.

The director and staff will concentrate on the following investment-related activities:

- Serving as the instrumentality of the Land Board.
- Implementing the strategic direction established by the Land Board concerning Land Assets.
- Making strategic decisions (where authorized) and providing recommendations to the Land Board concerning management of Land Assets.
- Establishing policies and procedures for IDL programs.
- Selecting and directing staff.
- Developing a land and resource management expense budget from Earnings Reserves for Land Board approval and consideration for legislative appropriation. Earnings Reserves is only a portion of the IDL budget.
- Monitoring and reporting progress toward strategic goals, including preparing an annual income statement following agreed upon procedures and calculating annual returns for major asset classes and all asset classes combined.

Decision-making authority for endowment land asset management resides with the Land Board except as delegated to the IDL director. Program management resides with the director's staff and their subordinates. IDL establishes policies and procedures for routine programmatic activities at the bureau and program levels.

IDL has delegated authority to approve the following:

- Normal timber sales that fall within established Land Board policies and salvage sales.
 - Exceptions include sales with clear-cut harvests over 100 acres; sales with development credits exceeding 50% of the net appraised value or 33% of the gross appraised value; and sales with written citizen concerns.
- Approval of certain routine land investment decisions. Routine land investment decisions include access acquisition and grants, forest and range improvements, reforestation, and building maintenance.
 - Transactions <\$1,250,000 the IDL director may authorize.
 - Transactions >\$1,250,000 require Land Board approval.
- Approval of certain other land investment decisions. Other land investment decisions include land disposal, land acquisition, reclassification, and new tenant improvements.

- Transactions <\$250,000 the IDL director may authorize.
- Transactions >\$250,000 require Land Board approval.

4. Professional Staff

IDL staff consists of trained professionals and technical experts in various fields, such as forestry, range, real estate, minerals, oil & gas, fire, accounting, finance, procurement, geographical information systems (GIS), remote sensing, and other specialties. IDL staff members who are involved with management of Endowment Assets or related accounting or financial management are fiduciaries.

5. Use of Outside Experts

IDL may use outside experts at its discretion and the Land Board's discretion. IDL may use the Land Board's expert advisors when in need of the special expertise provided by the advisors and when the use of a specific advisor will not conflict with the Land Board's use of the advisor. IDL may review information and recommendations provided to the Land Board by outside experts including the Commercial Real Estate Investment Advisor, Commercial Real Estate Broker, Land Acquisition Advisor(s), and the Land Investment Advisor(s). The chart in [Appendix D](#) below depicts the relationship between the Land Board, IDL, and outside experts.

D. Role of the Legislature

The Idaho Legislature is responsible for the following:

- Enacting laws to establish the methodology for restoring losses to the Public School and Agricultural College funds.
- Appropriating Earnings Reserve Funds for operation of IDL and EFIB.
- Considering approved endowment distributions in setting beneficiary appropriations.
- Establishing the statutory structure for administration of endowment assets that is consistent with the nature of the trusts and the constitutional duties of the Land Board.

VII. Asset Class Policies for Land Assets

A. Investment Objective for the Land Assets

The primary objective for the Land Assets is the generation of maximum long-term return at a prudent level of risk using traditional land grant asset types. The Land Assets diversify the Financial Assets given the low correlations of timberland and rangeland to public capital markets. The Land Assets also lower the volatility of the total investment portfolio considering timberland and rangeland returns have historically exhibited lower volatility than equity asset classes. During periods of negative financial returns, Land Assets can provide a positive revenue stream to help maintain Earnings Reserves and stable Endowment distributions.

Investment objectives are long-term return objectives. The investment objective for the land portfolio recognizes that timberland is a primary driver of the overall return for land and that income from

timberland and, to a lesser degree, all other lands are the primary generator of investment returns. The individual investment objectives for timberland, rangeland, and farmland reflect the long-term investment characteristics (return, correlation, and volatility) compared to other asset classes. Investment objectives also consider the existing base of land holdings along with management constraints, notably sales restrictions, acreage limitations, and the rent-setting and leasing processes. The return objectives should not be viewed in isolation but in relationship to one another.

The Land Assets are managed to achieve a real net return target of at least 3% over a long-term holding period (Land Assets Return Objective). The Land Assets Return Objective includes both income and appreciation, is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), net of all fees and costs of program management (e.g., legal and audit), and net of inflation as measured by the Consumer Price Index. While the Land Assets Return Objective includes both income and appreciation, the return is expected to be generated primarily from income.

Specific investment objectives and guidelines for each land category are summarized below. The Land Board shall review periodically its expectations for the land categories and assess how the updated expectations affect the probability that the Endowment will achieve the established investment objectives.

B. Key Elements of the Land Strategy

1. Active and Profitable Management

Land Assets are actively managed based on profitability, which means that some parcels will be managed more intensively than others. The portfolio is managed by IDL and, except in unusual circumstances, no external managers are used. Active management includes the following primary activities:

- Maximize net income while protecting and enhancing the long-term value and productivity of the Land Assets. (IDL shall produce a quarterly income statement which allows for evaluation of income versus management and operating expenses by trust beneficiary, program, and asset class to evaluate returns and profitability.)
- Acquire, through purchase or trade, land whose expected risk adjusted return meets or exceeds the return objectives outlined in this Statement and whose uses are aligned with IDL's management expertise.
- Dispose, through sale or trade, land whose expected long-term return does not meet the return objectives outlined in this Statement.
- Make incremental investments to enhance the value of existing assets when the expected risk adjusted return is favorable.

2. Leverage is Prohibited

Debt is not used in acquisition of Land Assets. All assets are unencumbered by debt.

3. Diversification

There is limited ability to diversify the Land Assets by geography, land type, investment style, investment manager (IDL is the sole manager), or vintage year since most Land Assets were acquired at statehood. Diversification of income source shall be pursued by encouraging multiple bidders for timber sales and leases. There is limited opportunity to actively diversify the tenant base in all land types that are leased. In most cases these leases have fixed annual rents or rates and are awarded to the highest premium bidder on auction day. There are opportunities for commercial leases on endowment lands. Commercial leasing opportunities may require reclassification of land assets due to land value and income potential from leasing activities. All grazing, conservation, and agricultural leases have terms concerning change in land use for higher returns.

Timberland is managed for age class and species diversity across the asset to maximize long-term returns. An even flow of various forest products is considered a priority to maintain a vibrant and diverse customer base to maximize the sale prices of timber over time and to maintain or improve income distributions. Offering a variety of timber sale sizes, types, and locations across the state also helps to maintain a diverse customer base. Geographic diversity of the land base and intensive forest management provide some protection against catastrophic fire, disease, and insect outbreak.

4. Illiquidity and Rebalancing

Land Assets represent a large part of the total Endowment portfolio and are illiquid compared to publicly traded securities. Strategic repositioning and improvement of the land assets will be actively pursued through sales, exchanges, and acquisitions. However, constitutional and statutory requirements regarding land sales and exchanges limit the ability to rebalance the Land Asset portion of the portfolio. Acquisitions may be limited by escalating land values that exceed the capability to return appropriate cash flows under traditional management activities.

C. Timberland

1. Definition

Timberland is defined as land capable of growing successive crops of commercial forest products for harvest.

2. Overall Financial Objective and Benchmark

The return on timberland comes from biological growth, upward product class movement, timber price appreciation and land price appreciation. The overall objective of timberland investments is to attain a real net income return of at least 3.35% over a long-term holding period. The net return target is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), and net of all fees and costs of program management (e.g., legal and audit).

3. Allowable Investments

Timberland in Idaho and investments in timberland improvements, including but not limited to planting seedlings, spraying, pre-commercial thinning, fertilization, intermediate silvicultural treatments, road

construction, and maintenance projects are allowed, as are investments in easements or other means of achieving cost-effective access to productive timberlands.

New timberland acquisitions shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine the following:

- If the expected financial return generated by income exceeds the minimum hurdle rate of 3.35% net real;
- Whether the return profile is sufficient relative to the risk taken, including an analysis of the transaction in terms of long-term financial return and risk to the Endowment;
- Whether the transaction would facilitate improved management or improve the overall Endowment land ownership pattern in the area;
- The existence of any potential risks, including but not limited to environmental or title-related issues.

Parcels posing any significant risk as described in the due diligence analysis and those not meeting the minimum hurdle rate shall be avoided. The presence of minerals including sand and gravel can enhance the net return from timberland. Land Bank funds used for acquisition can only be used on behalf of the endowment from which the funds originated. The minimum return requirement for new investments will be reviewed and updated as necessary based on the Strategic Reinvestment Plan.

New investments in timberland must be owned 100% by the endowment. Joint ventures are not allowed. Acquisition of land with a conservation easement in place is allowed provided the Land Board has full decision-making authority regarding implementation of land management practices.

4. Considerations

Idaho Code § 58-133 requires that all state-owned lands classified as chiefly valuable for forestry, reforestation, recreation, and watershed protection be reserved from sale and set aside as state forests. The Land Board has the authority for classification of newly acquired land and reclassification of existing land to better meet fiduciary obligations and market conditions. Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands.

IDL has an established public involvement process, approved by the Land Board, which requires that annual timber sale plans be published, and public comment opportunities be made available. Direct sales (less than 200,000 board feet or less than \$15,000 in value) and salvage sales are exempt from the policy.

5. Management

Timberland is directly managed by IDL. Management shall comply with all applicable laws, such as the Idaho Forest Practices Act. Management objectives include the following:

- Manage the timberland asset prudently, efficiently, and with accountability to the beneficiaries.
- Reduce risk and increase prospects for sustainable annual income.
- Achieve a rate of return consistent with policy objectives.

- Produce forest products that meet market demands.
- Identify and acquire additional timberlands that maintain or enhance the value of the timberland asset class.
- Identify and dispose of or reclassify underperforming timberland assets to increase economic performance and improve land asset diversity.
- Achieve financial and forest health objectives identified in the Asset Management Plan and the Forest Asset Management Plan.

6. Valuation

The land expectation value (LEV) method (constant real annual cash flow / real annual discount rate) approach or other commercially acceptable methods approved by the Land Board shall be used for the valuation of the timberland asset class. The timberland asset class shall be valued using the LEV method every five years by an independent expert for the purpose of calculating program returns, not for the purpose of acquisition or disposition of specific timberland parcels. MAI appraisals must be used for valuation of individual parcels in the event of an exchange.

7. Monitoring Standards

IDL will report cash flows for the timberland asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation (based on LEV), and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses for managing the asset class. The most recent independent valuation will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

D. Rangeland

1. Definition

Rangeland is defined as lands supporting natural vegetation—generally grasses, forbs, and small brush suitable for grazing by domestic livestock and wildlife.

2. Overall Financial Objective and Benchmark

The overall objective of rangeland investments is to attain a positive real net return over a long-term holding period. The positive real net rate of return includes primarily income and is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), net of all fees and costs of program management (e.g., legal and audit) and net of inflation as measured by the Consumer Price Index. Given its low expected return, rangeland is not an institutional asset class.

3. Allowable Investments

Additional investment may take the form of investments in rangeland improvements and easements or other means of access to improve productivity. Rangeland improvements refers to actions that improve the manageability and productivity of the asset including but not limited to fencing, weed control, access improvement, and water development.

New investments in rangeland are not anticipated or being actively targeted. Should a new investment opportunity arise, it shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine the following:

- Whether the return profile is sufficient relative to the risk taken, including an analysis of the transaction for long-term financial return and risk to the Endowment;
- Whether the transaction would facilitate improved management or improve the overall Endowment land ownership pattern in the area;
- The existence of any potential risks, including but not limited to environmental or title-related issues.

Parcels posing any significant risk as described in the due diligence analysis shall be avoided. Land Bank funds used for acquisition can only be used on behalf of the endowment from which the funds originated.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Grazing leases have an exchange clause that alleviates this statutory requirement.

Rangeland may be exchanged or sold subject to acreage limitations—a lifetime maximum of 320 acres may be sold to any one individual, company, or corporation. For rangeland, this limitation is a significant barrier to repositioning or reducing the size of the rangeland portfolio given its size at over 1.4 million acres. Any disposal of rangeland should consider its optionality for future conversion to a higher and better use, including reclassification and potential mineral extraction. The University Endowment is restricted to a lifetime maximum of 160 acres sold to any one individual, company, or corporation. Article IX of the Idaho Constitution describes the limitations on the sale of endowment land.

5. Management

Rangeland is directly administered by IDL. Livestock forage productivity and availability vary significantly across the state due to factors such as climate, vegetation types, topography, and access to water. Some Endowment parcels are of sufficient size and productivity to stand alone as a grazing unit; however, most are managed in a manner consistent with adjoining federal and private lands because of normal livestock and grazing management practices. Some rangeland parcels are leased in combination with timberland or other commercial uses (commercial ground or energy production leases). The presence of minerals such as sand and gravel can enhance the net return from rangeland. Management objectives for rangeland include the following:

- Manage the asset prudently, efficiently, and with accountability to the beneficiaries.
- Develop and manage grazing leases that achieve a rate of return consistent with policy objectives and market rates.
- Identify and dispose of or reclassify underperforming rangeland assets to increase economic performance and improve land asset diversity.

- Minimize contractual and environmental risks.
- Identify programmatic or statutory changes that maximize income.
- Achieve objectives identified in the Asset Management Plan and the Grazing Program Business Plan.

6. Valuation

The land expectation value (LEV) method (constant real annual cash flow/real annual discount rate) approach shall be used for the valuation of rangeland. Rangeland shall be valued using the LEV method every five years by an independent expert. MAI appraisals must be used for individual parcels in the event of an exchange or sale.

7. Monitoring Standards

IDL will report cash flows for the rangeland asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses of managing the asset class. The most recent independent value will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

E. Residential Real Estate

1. Definition

Idaho has leased residential sites since 1932. These properties are vacant endowment land where lessees are authorized to construct and own improvements, typically cabins and single-family homes. Parcels in asset classes such as timberland and rangeland may be reclassified to residential real estate as development occurs in the vicinity.

2. Overall Financial Objective and Benchmark

Leases shall be at least 4% of the appraised value depending on the length of the lease term. The overall objective of residential real estate investments is to attain, for each sale, net distributions to the endowment that are at or above appraised value and cover all costs of the sale and internal management costs.

3. Allowable Investments

The Land Board and IDL are implementing a disposition strategy for the residential portfolio subject to a long-term plan that was approved in December 2010, revised in 2016, and revised again in 2022. Future investment in cottage sites is not allowed; however, current land assets may be reclassified to residential real estate.

4. Considerations

While the Land Board has directed a disposition strategy for the residential portfolio, complete disposition is unlikely in the next five years. The viability of an ongoing lease program, with consideration of ongoing related expenses, shall be evaluated by IDL and reviewed by the Land Board as the current disposal process is completed. As stated previously, land currently in other asset classes may

be reclassified to residential real estate, resulting in an ongoing portfolio of residential real estate. Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

Cottage sites are directly managed by IDL. Management objectives include the following:

- Execute the approved Cottage Site Plan to unify the estate to maximize return to the endowments.
- For the duration of the cottage site leasing program, develop and manage residential leases that appropriately compensate the endowments.
- Identify additional high-value (undeveloped) residential real estate for potential auction to maximize return to the endowments. (May require reclassification of other land assets.)
- Identify and reclassify residential real estate that may return more value to the trust if reclassified to a higher and better use.

6. Valuation

All properties will be appraised to establish lease rates prior to sale. Until reappraisal, existing appraisal data will be used for valuation of the asset class.

7. Monitoring Standards

IDL will report cash flows for the residential real estate asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses for managing the asset class. The most recent independent value will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

F. Farmland

1. Definition

Farmland is defined as land under cultivation or capable of being cultivated. The farmland asset includes lands used for cultivating grains, vegetables, and hay, as well as vineyards and orchards.

2. Overall Financial Objective and Benchmark

The overall objective of farmland investments is to attain a real net return of 4% over a long-term holding period. The rate of return includes both income and appreciation, is net of all asset level expenses and fees, net of internal management costs (e.g., the cost of IDL management), net of all fees and costs of program management (e.g., legal and audit), and net of inflation as measured by the Consumer Price Index.

3. Allowable Investments

Investments in Idaho farmland, improvements such as irrigation or structures, and easements or other means of access to productive farmlands are allowed.

New investments in farmland are not anticipated or being actively targeted. Should a new investment opportunity arise, it shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine:

- Whether the return profile is sufficient relative to the risk taken, including an analysis of the transaction for long-term financial return and risk to the Endowment.
- The existence of any potential risks, including but not limited to environmental or title-related issues.

Parcels posing any significant risk as described in the due diligence analysis shall be avoided.

Land Bank funds used for acquisition can only be used on behalf of the endowment from which the funds originated.

Investments in farmland must be owned 100% by the Endowment. Joint ventures are not allowed. Acquisition of land with a conservation easement in place is allowed provided the Land Board has full decision-making authority regarding implementation of land management practices.

4. Considerations

Farmland may be sold or exchanged subject to acreage limitations. A lifetime maximum of 320 acres may be sold to any one individual, company, or corporation (160 acres for the University endowment). Article IX of the Idaho Constitution describes the limitations on the sale of endowment land. Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

The asset class is directly managed by IDL through agriculture leases which may be cash, crop share, or flex with adjustment based on yield or price. Some agriculture parcels are leased in combination with grazing uses. Management objectives include the following:

- Achieve return consistent with policy objective.
- Focus on income and current cash yield through the management of existing properties. Cash lease structure will be preferred.
- Enroll endowment lands in federal agricultural programs when appropriate.
- Achieve objectives identified in the Asset Management Plan for Endowment Assets (and any related plans developed) and the Farmland Program Business Plan.

6. Valuation

The portfolio will be valued using NASS Farmland Data. This is appropriate as farmland holdings are a small portion of the Endowment Assets. All properties shall be valued by an MAI appraiser prior to sale.

7. Monitoring Standards

IDL will report cash flows for the farmland asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses for managing the asset class. The most recent independent value will be used and adjusted for capital expenditures, sales, and acquisitions during the reporting period.

G. Idaho Commercial Real Estate

1. Definition

Idaho Commercial Real Estate is a discrete portfolio of office buildings, parking lots, retail, and other identified land properties located in Idaho.

2. Overall Financial Objective and Benchmark

The majority of the Idaho Commercial Real Estate portfolio was sold as recommended by the Commercial Real Estate Advisor and approved by the Land Board in February 2016. Of the properties identified in the 2016 sales plan that did not sell, IDL will continue to pursue prudent disposition as recommended. Certain properties may be retained by the Land Board for strategic purposes. Additional properties may be reclassified to the commercial real estate portfolio from other asset classes.

3. Allowable Investments

Per Land Board direction from December 2014, no new Idaho Commercial Real Estate properties may be acquired. There may be expenditures to maintain or re-position existing properties in preparation for sale or lease. Leasing of existing endowment lands for commercial and industrial purposes will continue, as will reclassification of lands into commercial real estate from other asset classes.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

The portfolio is overseen by IDL and managed primarily through outside agents, including hiring and oversight of property managers and leasing agents, approving leases and budgets, approving capital expenditures, and executing capital plans. The Commercial Real Estate Advisor may be used to assist in advising, hiring, and managing property managers.

6. Valuation

All properties will be valued by appraisal prior to sale. In the interim, the value established by the Commercial Real Estate Advisor, or Real Estate Broker, will be used for performance measurement and evaluation purposes.

7. Monitoring Standards

IDL will report cash flows for the commercial real estate asset class to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses for managing the asset class. Property will be valued using a combination of appraised values and values established by the Commercial Real Estate Advisor. The most recent independent value will be adjusted for capital expenditures, sales, and acquisitions during the reporting period.

H. Minerals/Oil & Gas

1. Definition

Mineral resources are concentrations of materials that are of economic interest in or on the crust of the earth. Oil and gas reserves and resources are defined as volumes that will be commercially recovered in the future.

2. Overall Financial Objective and Benchmark

The asset class will be managed prudently to maximize financial return while complying with all applicable laws and regulations. Royalty payments are transferred to the Permanent Fund while other payments, such as lease or bonus payments, go to the Earnings Reserve Fund.

3. Allowable Investments

Acquisition of mineral rights together with or independent of surface rights is allowed. Acquisition of mineral rights together with surface rights is preferred to avoid a split estate. Acquisition of mineral rights is expected to occur primarily through land exchanges.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

The asset class is directly managed by IDL, and management shall comply with all applicable federal and state statutes, such as the federal Clean Water Act, Idaho Surface Mining Act, Oil and Gas Conservation Act, and Idaho Dredge and Placer Mining Protection Act. Management objectives include the following:

- Manage the mineral asset prudently, efficiently, and with accountability to the endowments.
- Minimize contractual and environmental risks associated with extractive industries.
- Lease lands for potential mineral products that capitalize on market demands.
- Retain mineral rights when land parcels are disposed.
- Seek opportunities to unify the mineral estate.
- Identify programmatic or statutory changes that maximize income from mineral assets.

6. Valuation

The value of Idaho's mineral estate is unknown at this time. Determining the type and volume of locatable minerals in Idaho could be achieved with a cooperative effort between the Idaho Department of Lands, Idaho Geological Survey, and the mineral industry.

7. Monitoring Standards

IDL will report cash flows for the minerals asset class to the general consultant for performance reporting purposes. All net income calculations will be net of all fees and expenses of managing the asset class. Because receipts from minerals extracted flow directly to the Permanent Fund, they are not included in IDL's report of return on assets. The receipts are reported in IDL's annual report.

I. Reclassification of Lands

1. Definition

Endowment land assets were classified by IDL based on the characteristics of the parcels at that time. For example, parcels with timber present were typically classified as timberland, parcels where rangeland vegetation is present were typically classified as rangeland, etc. No determination of higher and better use characteristics was made during the classification process.

Lands within traditional asset classes already owned by the Endowment may become suitable for a higher and better use than the current asset classification. Often these properties exhibit high property values and low annual revenues and may be encroached upon by urban development. The major data sources used to identify lands suitable for reclassification may include:

- Appraisal values above the values indicative of current uses.
- Regional land-use planning studies.
- Resource trends and demographic changes.
- Planning and zoning designations if they substantiate IDL's assessment of the classification.

2. Overall Financial Objective and Benchmark

The objective for lands identified for potential reclassification will be to lease the parcels, typically for commercial or industrial uses, or dispose of the parcels through land sale. Evaluation of the options for lease or sale will be completed on a case-by-case basis with the assistance of the Commercial Real Estate Advisor. Once the land is reclassified, it will be included under the appropriate revenue producing asset class.

3. Allowable Investments

Lands suited for reclassification are those currently owned by the endowments. Lands should not be acquired where the primary reason for acquisition is reclassification, though reclassification lands may exist within an acquisition. In select cases, improvements such as obtaining zoning and other entitlements may be pursued for ground leasing purposes, to maximize value, or to ready the parcel for sale.

Investment in improvements shall be subject to a thorough due diligence process (by IDL or a land advisor, consistent with the established governance structure) to determine the long-term financial return and risk to the Endowment. Considerations will include, but are not limited to:

- Whether the return profile is sufficient relative to the risk taken;
- Whether the transaction would facilitate improved management;
- The existence of any potential risks including but not limited to environmental or title-related issues.

Investments in improvements posing any significant risk as described in the due diligence analysis shall be avoided.

4. Considerations

Idaho Code § 58-138 requires that the written agreement of a lessee be obtained prior to entering into an exchange involving leased lands. Leases have an exchange clause that alleviates this statutory requirement.

5. Management

Reclassification activities will focus first on land at the high-end of market values (best markets) and then on land possessing best market potential within the next five to ten years (emerging markets). Reclassification plans will identify land holdings in the best markets, identify emerging markets, and, to the extent practical, parcels held in these markets. Land holdings in the best markets will also include a plan for achieving value potential. Timely disposition of parcels suitable for reclassification will be a management objective to increase asset value and, where the parcels are not income-producing, reduce their “drag” on performance.

Underperforming assets may also present reclassification opportunities. IDL will identify and analyze such lands to determine the best solution to resolve the underperformance. Such analysis will consider:

- Whether management costs can be minimized;
- Whether the lands can be managed differently to increase performance;
- Whether the parcel has the potential for a higher and better use; and
- Whether the endowment is the best long-term owner of the asset.

6. Valuation

Properties suitable for reclassification will be valued based on the highest and best use of the property. Properties will be valued by appraisal prior to sale or on a predetermined schedule pursuant to the terms of the lease or other approved plan.

7. Monitoring Standards

IDL will report cash flows for the lands suitable for reclassification, together with the asset class in which the lands currently exist, to the general consultant for performance reporting purposes. Lands with potential for reclassification currently classified as rangeland will be monitored and reported as part of the rangeland asset class. The reporting will follow institutional reporting standards and conventions.

Income, appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses of managing the asset class. The most recent independent value will be used and adjusted for capital expenditures, sales, and acquisitions during the reporting period.

J. Land Bank

1. Definition

The Land Bank Fund (Land Bank) exists to hold the proceeds from the sale of state endowment land (pending the purchase of other land) or to transfer to the Financial Assets for the benefit of the endowment beneficiaries, per Idaho Code § 58-133.

2. Overall Financial Objective and Benchmark

The Land Board does not control the investment of the funds held in the Land Bank. The Land Bank is invested by the State Treasurer under a financial objective or benchmark established by the Treasurer.

3. Considerations

Funds deposited in the Land Bank, including interest, are continuously appropriated to the Land Board. If the funds have not been utilized for land acquisition within five years, they are transferred to the Permanent Fund of the appropriate endowment unless the five-year time limit is modified by the legislature.

Land Bank funds may be used to acquire land within traditional asset classes. Land Bank funds may also be used to secure access to endowment land through purchase of easements or parcels of land. When purchasing a parcel of land to obtain access, the acquired parcel may in some cases produce minimal financial return. An easement may represent an expense without any resulting income directly related to the acquisition. In those cases, the evaluation of the acquisition and the projected returns would consider the additional net income that can be attributed to the access secured, rather than the financial return of only the access parcel.

4. Allowable Investments

Land Bank funds are invested by the State Treasurer in the IDLE pool. IDLE funds are invested according to the IDLE Investment Policy.

5. Management

IDL, in its capacity as the administrative arm of the Land Board, manages deposits to and withdrawals from the Land Bank. Fees for investment management are deducted by the Treasurer.

6. Valuation

The Land Bank is valued by the State Treasurer.

7. Monitoring Standards

IDL will report balances and cash flows for the Land Bank to the general consultant for performance reporting purposes. The reporting will follow institutional reporting standards and conventions. Income,

appreciation, and total return shall be calculated by the general consultant. All return calculations will be net of all fees and expenses of managing the asset class. Transaction history will be used to account for expenditures and deposits into the Land Bank. For purposes of transparency, the balance in the Land Bank shall be reported as a contingent asset in the notes of the financial statements for the Financial Assets.

VIII. Distribution Policy

A. Objectives

The ultimate purpose of Idaho's land grant endowments is to provide a perpetual stream of income to the beneficiaries. To guide the determination of future distributions for Idaho endowments, the following objectives, in priority order, are established by the Land Board:

- Avoid reductions in total endowment distributions.
- Maintain adequate Earnings Reserves to protect distributions from temporary income shortfalls.
- Grow distributions and permanent corpus faster than inflation and population growth.

B. Considerations

In determining distributions, the Land Board, with assistance from EFIB, considers the following for each endowment:

- Actual and expected return on the fund and income from the land.
- Expected volatility of fund and land income.
- Adequacy of distributable reserves to compensate for volatility of income.
- Each beneficiary's ability to tolerate declines in distributions.
- Need for inflation and purchasing power protection for future beneficiaries.
- Legal restrictions on spending principal.

C. Policy Description

Based on the above objectives and considerations and the expected returns of the entire portfolio (lands and funds), the Land Board establishes the following Distribution Policy:

- Distributions are determined individually for each endowment (currently 5% for all endowments except State Hospital South at 7%).
 - Consideration is being given to move State Hospital South to 5%, but has not been formally adopted as of this update.
- Distributions are calculated as a percentage of the three-year rolling average Permanent Fund balance for the most recently completed three fiscal years. The Land Board may adjust this amount depending on the amount in the Earnings Reserves, transfers to the Permanent Fund, and other factors.

- The levels of Earnings Reserves deemed adequate for future distributions are:
 - 7 years – All endowments (Public School, Agricultural College, Charitable Institutions, Normal School, Penitentiary, School of Science, State Hospital South, and University of Idaho)
- The Land Board may transfer any balance in an Earnings Reserve Fund in excess of an adequate level to the corresponding Permanent Fund and designate whether the transfer will or will not increase the Gain Benchmark.
- The principal of the permanent endowment funds, adjusted for inflation, will never be distributed, to protect the future purchasing power of the beneficiaries.

The Distribution Policy was developed based on many analyses, assumptions, and constraints, and its administration requires interpretation of nuances. EFIB has documented these in the Distribution Principles included in [Appendix F](#).

IX. Monitoring and Reporting

A. Philosophy

The Land Board and its agents shall use a variety of compliance, verification, and performance measurement tools to monitor, measure, and evaluate how well the Endowment Assets are being managed. Monitoring, reporting, and evaluation frequencies shall range from real-time performance to daily, weekly, monthly, quarterly, semi-annual, and annualized performance.

The Land Board seeks to answer three fundamental fiduciary questions through the performance monitoring and reporting system:

- Are the assets being prudently managed? More specifically, are assets being managed in accordance with established laws, policies, and procedures, and are IDL and EFIB (and by extension the EFIB's investment managers) in compliance with established policies and their mandates?
- How have the assets performed relative to Land Board approved investment objectives?
- Are the assets being profitably managed? More specifically, has performance affected distributions positively and advanced security of the corpus?

B. Deviation from Policies

If there is a deviation from Land Board investment policies, the IDL and EFIB staff are required to provide the Land Board with a report explaining how the deviation was discovered, the reasons for the deviation, and the impact on endowment performance, if any, and steps taken to mitigate future instances.

C. Financial Assets

1. Reporting at EFIB Level¹

The EFIB Investment Policy requires that performance reports be generated by the investment consultant at least quarterly and communicated to EFIB staff and the EFIB Board. The investment performance of the total Financial Assets, as well as asset class components, will be measured against commonly accepted performance benchmarks as outlined in the EFIB Investment Policy. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement.

Investment managers shall be reviewed regularly, by EFIB staff and the general fund consultant, regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

2. EFIB Reporting to the Land Board

Each month, EFIB staff will provide the following to the Land Board:

- Investment performance, both absolute and relative to benchmark.
- An evaluation of the sufficiency of Earnings Reserve balances (measured by coverage ratio: reserve balance divided by the distribution).
- A summary of any significant actions by EFIB.
- Any compliance/legal issues, areas of concern, or upcoming events.

Part-way through the fiscal year, typically at the May meeting, EFIB shall provide the Land Board with a brief financial summary of fiscal year-to-date activity.

After the end of the fiscal year, typically at the November meeting, EFIB shall provide the Land Board with the following:

- A financial summary for the recently completed fiscal year.
- The report of the Land Board Audit Committee regarding control deficiencies identified by the independent auditor.
- An update on EFIB's Strategic Plan.
- Investment performance for the fund versus strategic (longer-term) measures.
- A report on EFIB meetings, including number of meetings and attendance.

D. Land Assets

1. IDL Internal Processes

IDL staff shall report to the director using the standard reports as described below that are provided to the Land Board. All the information is reviewed by the director prior to submission to the Land Board.

¹ EFIB Investment Policy (see [Appendix C](#)). Management and approval of this policy is a duty delegated to EFIB.

Each program administered by IDL is managed by a bureau chief and a program manager. Policies and procedures governing daily activities are in place at the bureau or program level but are generally implemented by operations staff.

Decisions related to routine investment and management decisions are typically made at the area office level (or program level) with review by both the operations chiefs and bureau chiefs, subject to the established governance structure.

In the case of more complex investment and management decisions, staff involvement typically includes area office staff, operations chiefs, bureau chiefs, and executive staff to assure adequate due diligence and independent review. More than one member of the executive staff is likely to be involved in the analysis of the information and the final decision. Where necessary, the director retains final decision-making authority as delegated by the Land Board and described in the established governance structure.

2. IDL Reporting to the Land Board

Each month, IDL reports the following:

- Trust Land Management Division activity and information including timber sale revenue and activity and non-timber revenue and activity.
- Updates for ongoing special projects as needed.
- Legal and compliance issues and their status.
- Information necessary for Land Board review and approval of specific items.

IDL also reports the Land Bank Fund balance to the Land Board quarterly.

As previously described, IDL functions under the authority of the Land Board with the Land Board having final approval of many of IDL's policies and management decisions, up to and including review and approval of the IDL budget request prior to submission.

Each month, IDL brings matters forward for Land Board review and approval. Items are discussed first with senior Land Board staff members then placed on the consent agenda, where routine items may be approved without discussion, or the regular agenda, which addresses policy and programmatic items the Land Board may wish to discuss prior to making a decision.

Certain confidential matters may be presented for the Land Board in executive session at the discretion of the Land Board, pursuant to Idaho Code § 74-206.

IDL also produces an annual report to the Land Board, the state affairs committees of the legislature, as well as the public. IDL's overall strategic plan is updated annually and presented to the Land Board prior to submission to the Division of Financial Management.

The Land Board requires IDL staff to prepare and deliver an Asset Management Plan and Business Plans for each land type that explain how the Land Assets will be managed to achieve the Land Board approved investment objectives. This provides the Land Board a focused opportunity to:

- Question and comment on IDL staff's investment and management plans.
- Request additional information and support about IDL staff's investment and management intentions.
- Express its confidence and approval in the Strategic Plan, Asset Management Plan, and Business Plans.

The Land Board requires certain IDL procedures to be audited every 3-5 years:

- Land Transactions >\$1,000,000 shall be subject to a post-audit every five (5) years, and the Land Board's Land Investment Advisor shall review such post-audit and provide a report to the Land Board.

E. Total Endowment

Performance reports generated by the general consultant shall be compiled annually for review by the Land Board. The investment performance of the Endowment, as well as asset class components, will be measured against performance benchmarks outlined in this Statement of Investment Policy and the EFIB Investment Policy.

X. Key Documents

To assist the Land Board, EFIB Staff, and IDL Staff, the following key documents will be produced or reviewed according to the schedule in Exhibit 2.

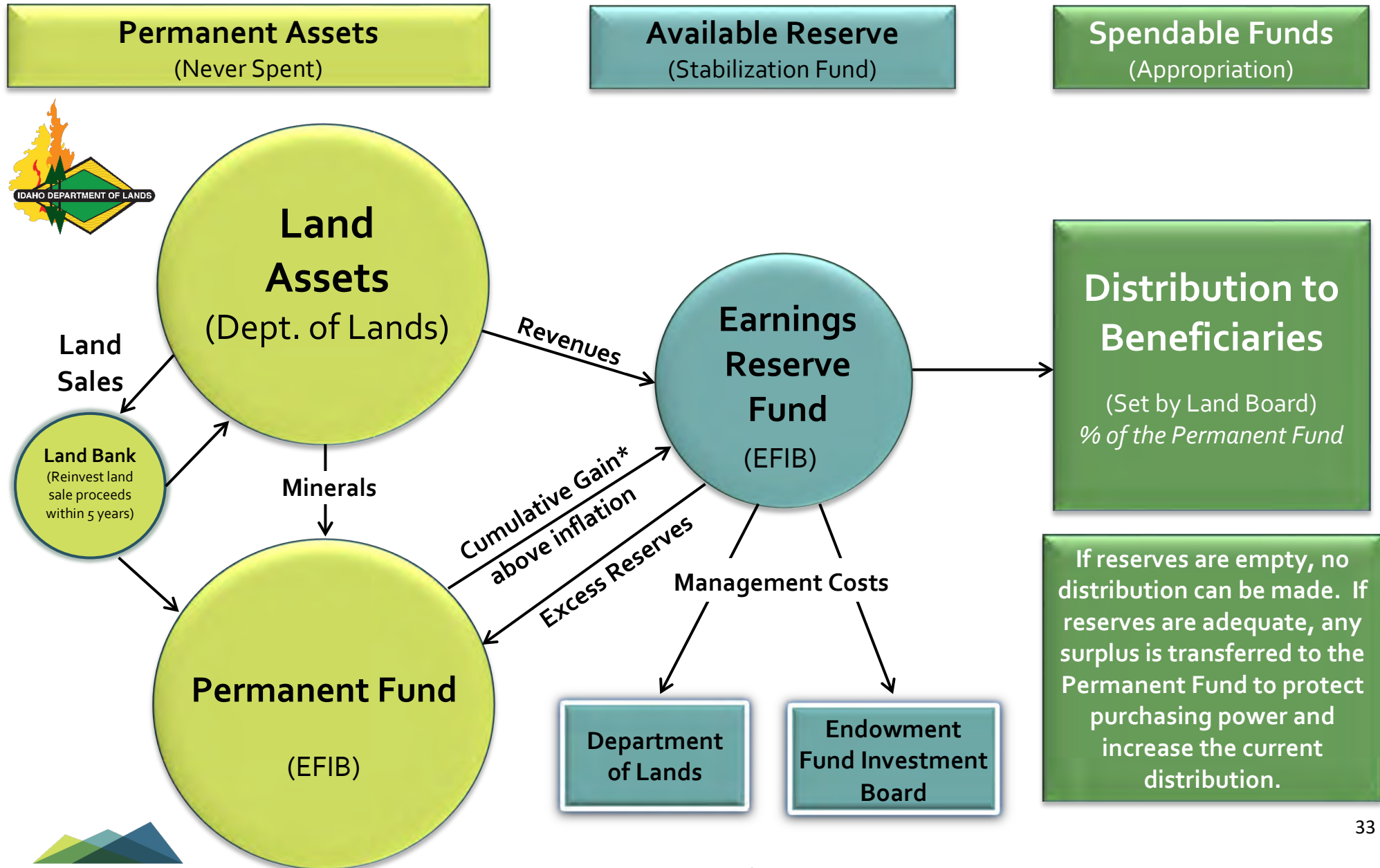
Exhibit 2: Key Documents

Document Name	Document Source	Review Schedule
Performance Review of Fund	General Consultant and EFIB Staff	Monthly and Quarterly
Performance Review Total Endowment	General Consultant, IDL Staff, and EFIB Staff	Annually
Statement of Investment Policy	General Consultant, IDL Staff, and EFIB Staff <i>Reviewed by Investment Subcommittee</i>	Annually
IDL Program Business Plans	IDL Staff	1-5 Years as specified in each plan
IDL Asset Management Plan	IDL Staff	Every 5 Years
Strategic Reinvestment Plan	General Consultant <i>Reviewed by Investment Subcommittee</i>	Every 3 Years
IDL Strategic Plan	IDL Staff	Annually
Asset Allocation	General Consultant	Every 8 years
Monthly Timber Sale Activity Report	IDL Staff	Monthly
Annual Timber Sale Plan	IDL Staff	Annually
Five Year Forecast of Land Income	IDL Staff	Annually
IDL Annual Budget	IDL Staff	Annually
EFIB Strategic Plan	EFIB Staff	Annually
EFIB Meeting Report	EFIB Staff	Annually
Audit Committee Report	Audit Committee	Annually

XI. Appendices:

- A. Structure of the Endowment**
- B. Constitution and State Statutes**
- C. EFIB Investment Policy**
- D. Use of External Advisors**
- E. Decision-Making Structure Chart**
- F. EFIB's Distribution Principles**

STRUCTURE OF IDAHO'S ENDOWMENT ASSETS



* Total cumulative gain over inflation since June 2000.

Rev 2/9/17

B. Constitution and State Statutes

Constitution of the State of Idaho

[ARTICLE IX](#) EDUCATION AND SCHOOL LANDS

[SECTION 3](#) PUBLIC SCHOOL PERMANENT ENDOWMENT FUND TO REMAIN INTACT

[SECTION 4](#) PUBLIC SCHOOL PERMANENT ENDOWMENT FUND DEFINED

[SECTION 7](#) STATE BOARD OF LAND COMMISSIONERS

[SECTION 8](#) LOCATION AND DISPOSITION OF PUBLIC LANDS

[SECTION 10](#) STATE UNIVERSITY – LOCATION, REGENTS, TUITION, FEES, AND LANDS

[SECTION 11](#) INVESTING PERMANENT ENDOWMENT FUNDS

Idaho Statutes

[TITLE 38](#) FORESTRY, FOREST PRODUCTS AND STUMPAGE DISTRICTS

[CHAPTER 13](#) FOREST PRACTICES ACT

[TITLE 57](#) PUBLIC FUNDS IN GENERAL

[CHAPTER 7](#) INVESTMENT OF PERMANENT ENDOWMENT AND EARNINGS RESERVE FUNDS

[TITLE 58](#) PUBLIC LANDS

[CHAPTER 1](#) DEPARTMENT OF LANDS

[CHAPTER 2](#) INDEMNITY LIEU LAND SELECTIONS

[CHAPTER 3](#) APPRAISEMENT, LEASE, AND SALE OF LANDS

[CHAPTER 4](#) SALE OF TIMBER ON STATE LANDS

[CHAPTER 5](#) STATE PARKS AND STATE FORESTS

[CHAPTER 6](#) RIGHTS OF WAY OVER STATE LANDS

[CHAPTER 12](#) PUBLIC TRUST DOCTRINE

[CHAPTER 13](#) NAVIGATIONAL ENCROACHMENTS

[TITLE 68](#) TRUSTS AND FIDUCIARIES

[CHAPTER 5](#) UNIFORM PRUDENT INVESTOR ACT

C. EFIB Investment Policy

ENDOWMENT FUND INVESTMENT BOARD Commingled Pool Investment Policy

Date Established: 2000
Last Reviewed: August 2025
Last Revised: August 2025

This Statement of Investment Policy is applicable to:

Public School Permanent Fund and Earnings Reserve Fund
Agricultural College Permanent Fund and Earnings Reserve Fund
Charitable Permanent Fund and Earnings Reserve Fund
Normal Schools Permanent Fund and Earnings Reserve Fund
Penitentiary Permanent Fund and Earnings Reserve Fund
School of Science Permanent Fund and Earnings Reserve Fund
State Hospital South Permanent Fund and Earnings Reserve Fund
University Permanent Fund and Earnings Reserve Fund
Capitol Permanent Fund and Maintenance Reserve Fund
Department of Environmental Quality Bunker Hill Endowment Fund Trust
Department of Environmental Quality Asarco Endowment Fund Trust
Department of Environmental Quality Hecla Endowment Fund Trust
Department of Fish & Game Southern Idaho Mitigation Endowment Trust
Department of Fish & Game Craig Mountain Wildlife Mitigation Trust
Department of Fish & Game Blackfoot Wildlife Mitigation Trust
Department of Fish & Game North Idaho Wildlife Mitigation Trust
Department of Fish & Game North Idaho Wildlife Mitigation Operational Trust
Department of Parks & Recreation Ritter Island Endowment Fund
Department of Parks & Recreation Trail of the Coeur d'Alene's Endowment Fund
Idaho Department of Lands - Forest Legacy Stewardship Endowment Funds

Statement of Philosophy

This statement of investment policy is set forth by the Endowment Fund Investment Board (EFIB) to:

- Define and assign the responsibilities of all involved parties;
- Establish a clear understanding for all involved parties of the investment goals and objectives of Fund assets;
- Offer guidance and limitations to all involved parties regarding the investment of Fund assets;
- Establish a basis for evaluating investment results;
- Manage Fund assets according to the prudent investor rule; and,
- Establish the relevant investment horizon for which the Fund assets will be managed.

Statement of Investment Policy

To assure continued relevance of the guidelines, objectives, financial status and capital market expectations as established in this statement of investment policy, the EFIB will review the policy annually.

Investment Objectives

In order to meet its objectives, the investment strategy of the EFIB is to emphasize total return; that is, the aggregate return from capital appreciation, dividend and interest income. The primary objectives are:

- To maintain the purchasing power of the Fund. In order to maintain fair and equitable inter-generational funding, state statute has mandated that the real value of the corpus be protected from inflation, generally measured by the Consumer Price Index;
- To maximize total return over time at an acceptable level of risk;
- To provide relatively smooth and predictable distributions to the beneficiaries; and
- To maintain sufficient liquidity for anticipated expenditures.

General Investment Principles

- Investments shall be made solely in the interest of the beneficiaries of the Funds;
- The Funds shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent expert acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims;
- Investment of the Funds shall be diversified as to minimize the risk of large permanent losses.
- The EFIB will employ one or more investment managers of varying styles and philosophies to support the Funds' objectives;
- Cash is to be employed productively at all times by investment in short-term cash equivalents to provide safety, liquidity, and return; and,
- The investment manager(s) should at all times be guided by the principles of "best execution" when trading securities and acting in the Funds' best interests are the primary consideration.

Assignment of Responsibility

- Responsibility of the Manager of Investments ("MOI") - The MOI serves as a fiduciary and is empowered by the Board to make certain decisions and take appropriate action regarding investment of the Funds' assets. The responsibilities of the MOI include:
 - Developing a sound and consistent investment policy;
 - Establishing reasonable investment objectives;
 - Selecting qualified investment managers after consultation with the Investment Consultant;
 - Communicating the investment policy guidelines and objectives to the investment managers and clients;
 - Monitoring and evaluating performance results to assure that the policy guidelines are being met;
 - Selecting and appointing custodian(s);
 - Discharging investment managers after consultation with the Investment Consultant; and,
 - Taking any other appropriate actions.
- Responsibility of the Investment Consultant(s) - The investment consultant shall be hired by the EFIB. The consultant serves as a non-discretionary advisor to the EFIB. The consultant will offer advice concerning the investment management of the Funds' assets. The investment consultant will act as a fiduciary with respect to the services it provides.

The advice will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the investment consultant include, but are not limited to:

- Assisting in the development and on-going review of the investment policy, asset allocation strategy, performance of the investment managers, and objectives and guidelines;
 - Supporting portfolio optimization and other investment techniques to determine the appropriate return/risk characteristics of the Funds;
 - Conducting investment manager searches when requested by the MOI and Board;
 - Monitoring the performance of the investment manager(s) to provide both the MOI and Board with the ability to determine the progress toward achieving investment objectives;
 - Communicating matters of policy, manager research, and manager performance to the MOI and Board;
 - Reviewing the Funds' investment history, historical capital markets performance and the contents of this investment policy statement with any newly appointed members of the Board.
- Responsibility of the Investment Manager(s) - As a fiduciary, each investment manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in either this statement or in their specific Manager Guidelines.

Delegation of Authority

The MOI is a fiduciary to the EFIB and is responsible for directing and monitoring the investment management of Funds' assets. As such, the MOI is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

- Investment Managers - Investment managers hired by the EFIB must be registered with the Securities and Exchange Commission under the Investment Act of 1940, unless inapplicable, or in the case of a banking organization with the Office of the Comptroller of the Currency. Investment managers have discretion to purchase, sell, or hold the specific securities that will be used to meet the Funds' investment objectives. This includes mutual fund or any collective fund portfolio managers.
- Custodian - Any custodian hired by the EFIB will maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and affect receipt and delivery following purchases and sales. Any custodian will also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts. Any custodian will provide at a minimum monthly reporting of assets and transactions to the MOI and provide the MOI with any additional data requests. Any custodian will administer proxy statements and corporate action claims on behalf of EFIB.

Additional specialists may be employed by the MOI with approval by the EFIB to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

Managers will be held responsible and accountable to achieve the objectives outlined in their specific guidelines. While it is not believed the limitations will hamper investment manager decisions, each manager should request in writing any modifications they deem appropriate. In the event of performance shortfalls or breaches of investment guidelines, the manager will be subject to a formal escalation process, which may include written notice, placement on a watch list, intensified monitoring, and potential termination if issues are not resolved within a defined review period at the MOI's discretion. EFIB reserves the right to terminate a manager for any reason.

All expenses for such experts must be customary and reasonable.

Marketability of Assets

Based on the Fund's long-term liquidity requirements, the EFIB desires securities with readily ascertainable market values that trade in liquid markets but recognizes that some allowable assets are valued less frequently by industry established appraisal methods, and may be reported on a lagged basis.

Investment Guidelines

Allowable Assets

Cash Equivalents or other Liquid Assets:	Treasury bills; money market funds; STIF funds; commercial paper; banker's acceptances; repurchase agreements; certificates of deposit.
Fixed Income:	US government and agency securities; bank loans; corporate notes and bonds; residential mortgage backed bonds (agency and non-agency); commercial mortgage backed bonds; municipal bonds, infrastructure securities, USD and non-USD fixed income securities of foreign governments and corporations; planned amortization class collateralized mortgage obligations; or other "early tranche" CMO's; Sequential pay CMO's; collateralized loan obligations, asset backed securities; convertible notes and bonds; Securities defined under Rule 144 A and Section 4(2) of the Securities Act of 1933; or any other fixed income securities eligible for inclusion in the Bloomberg Barclays Aggregate Bond Index.
Equities:	Common stocks; convertible preferred stocks; preferred stocks; REITS; American depository receipts (ADR's); stocks of non-US companies (ordinary shares);
Real Estate:	Domestic, private, open-end, core commingled funds, REITS
ETF's, Mutual or Collective Funds:	ETF's, Mutual Funds, and Collective Funds which invest in securities as allowed in this statement or as permitted in Investment Manager Guidelines. Investment managers will

advise the MOI of their intent to utilize ETFs prior to their purchase, what specific ETFs they intend to use and the purposes they serve.

Futures, Options and Swaps:

The EFIB may approve the use of financial index futures and options in order to adjust the overall effective asset allocation of the entire portfolio or it may use swaps, futures or options to hedge interest rate or currency exposure. For example, S&P 500 and 10-Year Treasury futures are used to equitize idle cash and to passively rebalance the portfolio. Futures and options positions are not to be used for speculation, and the EFIB must specifically approve the program for each type of use. Derivative exposure must have sufficient cash, cash equivalents, offsetting derivatives or other liquid assets to cover such exposures.

Derivatives:

Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, and interest rate swaps, among others. The EFIB will take a conservative posture on derivative securities in order to maintain its risk averse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. Unless a specific type of derivative security is allowed in the Investment Manager Guidelines, the Investment Manager(s) must seek written permission from the EFIB to include derivative investments in the Fund's portfolio. The Investment Manager(s) must present detailed written information as to the expected return and risk characteristics of such investment vehicles.

Prohibited Assets

Prohibited investments include, but are not limited to the following:

- Commodities
- Futures Contracts except as described in previous section "Futures, Options and Swaps";
- Naked Options;
- Crypto Assets
- Residual Tranche CMOs; and
- Purchases of securities on margin and short-sale transactions are prohibited.

Asset Allocation Guidelines

Investment management of the assets of the commingled endowment pool shall be in accordance with the following asset allocation guidelines:

- Aggregate Fund Asset Allocation Guidelines (at market value)

Asset Class	Range	Target	Rebalance Point	Benchmark
Equities Domestic Equities	61% - 71% 32% - 42%	66% 37%	+/-5% +/-5%	MSCI All Country World Index Russell 3000 Index
Large Cap Growth Core Value	22% - 30%	26% 5% 16% 5%	+/-4%	Russell 1000 Index Russell 1000 Growth Index S&P 500 Index Russell 1000 Value Index
Mid Cap Growth Value	4% - 10%	7.0% 3.5% 3.5%	+/-3%	Russell Mid Cap Index Russell Mid Cap Growth Russell Mid Cap Value
Small Cap Growth Value	2% - 6%	4% 2% 2%	+/-2%	Russell 2000 Index Russell 2000 Growth Index Russell 2000 Value Index
International Equities Growth Value	12% - 20%	17.0% 8.5% 8.5%	+/-4%	MSCI ACWI ex-US MSCI ACWI ex-US Growth MSCI ACWI ex-US Value
Global Equity Manager Manager Manager	8% - 16%	12% 4% 4% 4%	+/-4%	MSCI All Country World Index MSCI All Country World Index MSCI All Country World Index MSCI All Country World Index
Real Estate	7% - 13%	10%	+/-3%	NCREIF ODCE Index
Fixed Income Core Plus Bond Active Aggregate Bond Index Cash and Equivalents	21% - 27%	24% 13% 11% 0%	+/-3%	BB Aggregate Bond Index BB Aggregate Bond Index BB Aggregate Bond Index 3-month Treasury Bill Index
Total Fund				Primary: Asset Allocation Benchmark Secondary: CPI All Urban Consumers

Rebalancing of Fund Assets

Understanding that different asset classes will perform at different rates, the MOI and the investment consultant will closely monitor the asset allocation shifts caused by performance. Therefore:

- The MOI will review the relative market values of the asset classes whenever there is to be a net contribution to the Fund and will generally place the new monies under investment in the category(ies) which are furthest below the target allocation in this policy and/or use the opportunity to rebalance the portfolio; and,

- The MOI and investment consultant will review the asset allocation quarterly and during periods of severe market change to assure that the target allocation is maintained. If an asset class is outside the allowable range, the MOI will take appropriate action to redeploy assets taking into account timing, costs and other investment factors.

Guidelines for Fixed Income Investments and Cash Equivalents

- The average credit quality of the fixed income portfolio must be investment grade or higher. Individual fixed income securities may be rated below investment grade.
- The average duration of the fixed income portfolio may range from 2-8 years.
- Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.

Investment Performance Review and Evaluation

Performance reports generated by the investment consultant shall be compiled at least quarterly and presented to the EFIB for review. The investment performance of the total Fund, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The EFIB intends to evaluate investment managers over at least a three-year period.

Each manager shall maintain a portfolio consistent with characteristics similar to those of the composite utilized for their retention. Investment performance will be measured on a total return basis, which is defined as dividend and interest income plus realized and unrealized capital gains. Each manager will be evaluated in part by regular comparison to a peer group of other managers employing statistically similar investment style characteristics. It is expected that each manager will perform above the peer group median and the appropriate index over rolling three-year periods with respect to both return and risk.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results. The EFIB reserves the right to terminate a manager for any reason.

GASB 40 Reporting Requirements

Purpose: The Governmental Accounting Standards Board has identified that state and local governments have deposits and investments which are exposed to risks that may result in losses. GASB Statement number 40 (GASB 40) is intended to inform users of the financial statements about the risks that could affect the ability of a government entity to meet its obligations. GASB 40 has identified general deposit and investment risks as credit risk, including concentration of credit risk and custodial credit risk, interest rate risk, and foreign currency risk and requires disclosures of these risks and of policies related to these risks. This portion of the Investment Policy addresses the monitoring and reporting of those risks.

In general, the risks identified in GASB 40, while present, are diminished when the entire portfolio is viewed as a whole. Specifically, the risks identified and the measurements required is poorly transferable, if at all, to portfolios like the EFIB, which is dominated by equity exposure.

It is the policy of the EFIB that the risks addressed in GASB 40 are to be monitored and addressed primarily through the guidelines agreed to by those managers, and by regular disclosures in reports by managers of levels of risks that may exceed expected limits for those portfolios.

- **Credit Risk:** The risk that an issuer or other counterparty to an investment will not fulfill its obligations to the EFIB. GASB 40 requires disclosure of credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations.

Policy: The Investment Guidelines section of this Investment Policy provides credit quality and maturity guidelines for fixed income and cash equivalent investments. Managers are required to comply with the Investment Policies set forth by the EFIB.

- **Custodial Credit Risk:** The risk that in the event of a financial institution or bank failure, the Fund would not be able to recover the value of their deposits and investments that are in the possession of an outside party.

Policy: The EFIB minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to the EFIB ownership and further to the extent possible, be held in the Fund' name.

- **Concentration of Credit Risk:** The risk of loss that may be attributed to the magnitude of a government's investment in a single issue.

Policy: Managers will provide the EFIB with expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, staff will report to the Board at a regular Board meeting if the exposure to a non-US government guaranteed credit exceeds 5% of the total EFIB portfolio.

- **Interest Rate Risk:** The risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk to the EFIB's fixed income portfolio is monitored using the effective duration methodology. Effective duration measures the volatility of the price of a bond given a change in interest rates, taking into account any optionality in the underlying bond.

Policy: Managers will provide the EFIB with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

- **Foreign Currency Risk:** The risk that changes in exchange rates will adversely impact the fair value of an investment. The EFIB's currency risk exposures, or exchange rate risk, reside within the international equity and fixed income investment holdings.

Policy: The EFIB permits investing up to 40% of the total portfolio in international securities. The EFIB recognizes that international investments (equity or fixed income) will have a component of currency risk associated with them. The individual manager guidelines will outline the expected currency exposures (either specifically or through

ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

EFIB Board Chairman



Tom Wilford

Date: 2 Sept 2025

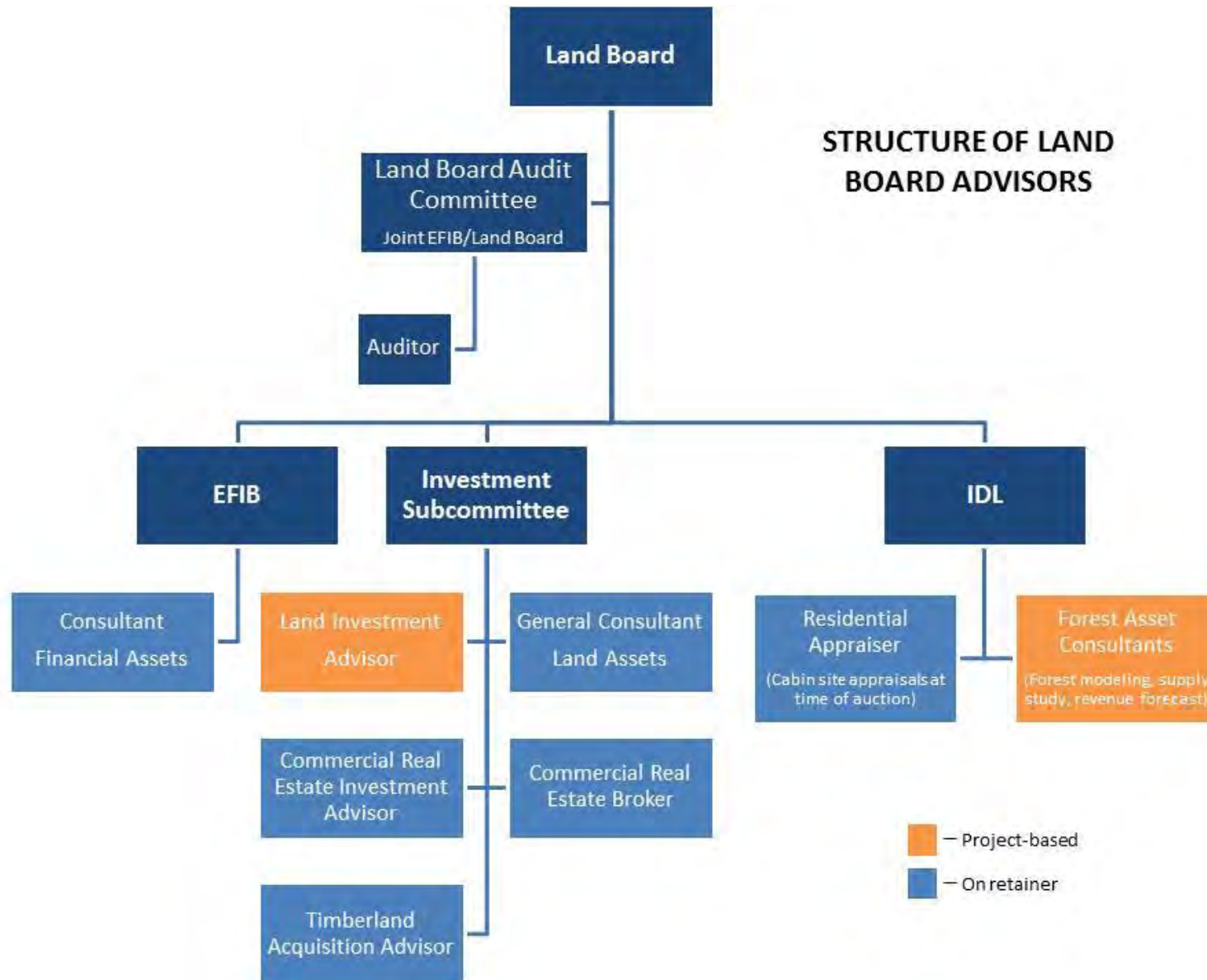
EFIB Manager of Investments



Chris Anton

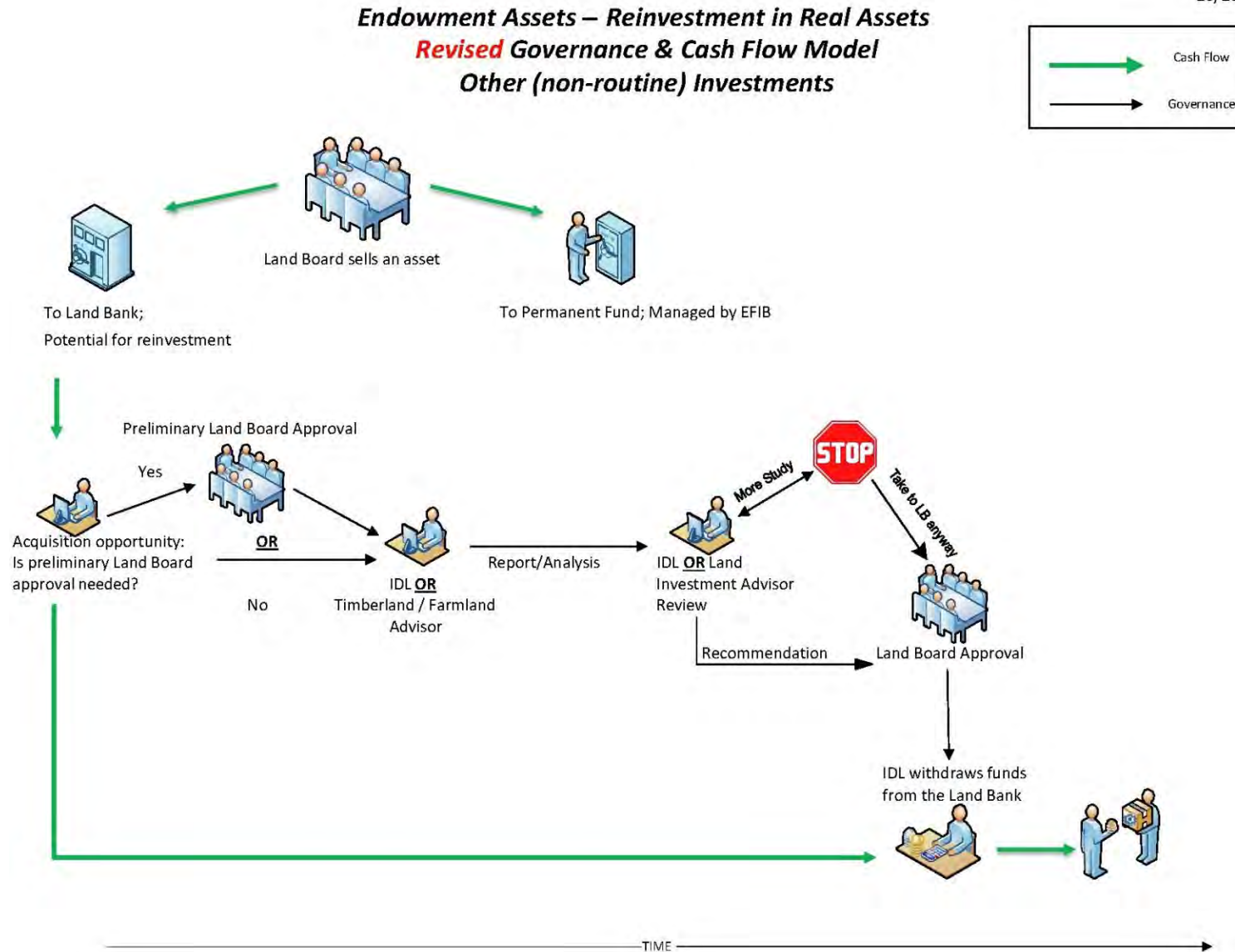
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D. Use of External Advisors



E. Decision-Making Structure Chart

10/18/2016



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F. EFIB's Distribution Principles

Summary of Idaho Endowment Fund Distribution Principles, Policy, and Background

By the Endowment Fund Investment Board – Updated July 17, 2018

Mission of Idaho Endowments: Provide a Perpetual Stream of Incomeⁱ

To achieve this mission, Distribution Policy must balance four conflicting objectives:

- Maximize total return over time at a prudent level of risk
- Provide relatively stable and predictable distributions
- Constrain distributions to protect future generations' purchasing power
- Maintain sufficient liquidity for anticipated expenditures

Priorities for Allocating Income

To balance the interests of current and future beneficiaries, the Land Board established the following priorities for allocating endowment revenues and gains:

- First Priority: Avoid reductions in total endowment distributions
- Second Priority: Maintain adequate Earnings Reserves to protect the current level of distributions from temporary income shortfalls
- Last Priority: Increase both distributions and Permanent Fund corpus faster than inflation and population growth

Distribution Policy Management Principles

- Distribute a conservative estimate of long-term sustainable income every year
- Maintain distributions when income temporarily falls below long-term expectations by saving up income in a reserve when it exceeds expectations
- Grow both distributions and permanent corpus proportionately, more than offsetting losses from inflation and dilution from population growth by reinvesting sufficient income back into principal

Constraints on Wasting Principal (Corpus Growth Objectives)

A major risk any endowment faces is that assets will be depleted to satisfy the beneficiary's current needs at the expense of long-term needs. Many states have succumbed to pressure to spend down their endowment funds. Idaho has several protections in place to mitigate this pressure: ⁱⁱ

- Federal law and state Constitution: Prohibits spending original principal, including the proceeds of land sales
- State statute: Requires that principal grow at least at the rate of inflation before any market appreciation of the Permanent Fund can be considered distributable incomeⁱⁱⁱ
- Land Board policy objective: Requires that principal grow faster than the rate of inflation and population growth^{iv}

Determining Annual Distributions^v

Distributions are initially calculated as a percent (the policy distribution rate^{vi}), multiplied by the Permanent Fund balance^{vii} (three-year-average to partly smooth variation in the equity markets)

- Current policy distribution rates are 5% for all endowments except State Hospital South (7%)

Distributions may be further adjusted, up or down, to reflect the reserve balance (and any other relevant factors):

- If reserves are adequate, distributions are maintained even when the Permanent Fund shrinks (actual rate > policy rate)
- If reserves are not fully sufficient (not at target), distributions are maintained even when the Permanent Fund rises (actual rate < policy rate)
- If reserves are unusually low, distributions may be reduced (actual rate < policy rate)

Honoring Beneficiaries' Strong Preference for Sustainable Distributions

Beneficiaries and legislators clearly indicate that a reduction in distributions (if actual income turns out to be low) is much more difficult for them to adjust to than it is to temporarily forego an increase if actual income turns out higher than a conservative expectation. Therefore, it is prudent to base both the policy distribution rate and the annual distribution on a conservative expectation of fund and land earnings^{viii}.

Determining Transfers to the Permanent Fund^{ix}

Excess income is converted to (transferred to) Permanent Fund corpus when reserves are deemed fully sufficient: i.e., exceed targeted years^x of the planned distribution (six years for Public School and seven years for all other endowments).

Measuring the Balance of Current and Future Beneficiaries' Interests

Over time, balance is achieved when all (and only all) "real" income is distributed.

Balance is specifically measured by the following relationship:^{xi}

- o Actual distributions *plus* growth in reserves
equals
- o Actual income (land & fund), *minus* income converted to principal

Earnings Reserves Serve Two Roles

The Earnings Reserve is not a "rainy day" fund to be drawn down when other state revenues falter. Its purpose is to be a:

1. Buffer against volatility in land income and fund return – a bank for unusually high earnings to be used to maintain distributions in lean times
2. Benchmark to determine when spendable reserves are fully sufficient so that any additional earnings can be reinvested in permanent principal (to maintain purchasing power and sustainably increase distributions)

Investment of the Earnings Reserve Fund

Because the fund intends to hold an adequate level of reserves into perpetuity, this long investment horizon allows reserves to be invested in the same risk/return portfolio mix as the Permanent Fund

- In extreme cases, low reserves may require moving the reserves to a more conservative asset mix (which may lock in losses)

Role of Endowment Distributions in the Overall Appropriation Process

Endowment distributions only satisfy a small portion of each beneficiary's annual spending needs, so those needs are essentially irrelevant in determining distributions. The EFIB recommends the Legislature address total beneficiary needs and short-term variations in tax receipts^{xii} so that distributions can be stable and growing, based solely on the long-term earning capacity of the endowment. A consistent, high-returning asset mix cannot be maintained if distributions vary based on tax revenues.

Endnotes

ⁱ The Mission can also be restated in a more measurable form:

The Idaho Endowments will maximize the prudent distribution if they:

- Earn strong real income in the fund and from the land
- Maintain adequate reserves to prevent reductions in distributions
- Reinvest income to protect future purchasing power

ⁱⁱ To ensure these strict legal protections of the future beneficiary do not overrule the interests of the current beneficiary, Land Board policy requires that distributions grow proportionately with principal over the long term.

ⁱⁱⁱ The statutory method for achieving inflation protection is measured by the "Gain Benchmark" (June 2000 original principal, adjusted for deposits and inflation). The cumulative total appreciation below inflation must be retained in the Permanent Fund, but any excess (measured at fiscal year-end) flows to Earnings Reserve as income, generally in September (this can be a large amount in one year or zero for several years).

^{iv} The Land Board policy objective of keeping up with population growth:

- o Makes real per capital distributions equivalent, current vs. future
- o Is achieved by transferring (reinvesting) sufficient excess retained income from Reserves to Permanent Fund principal so it can never be spent

The current assumed population growth is 1.8% per year, except for Public School which is assumed to be 1.0% per year.

^v Distributions can be changed at any time, but to facilitate the budget process, are usually determined annually at the August Land Board meeting for the following fiscal year.

^{vi} The policy distribution rate is based primarily on a conservative estimate of expected total income. When expected long-term earnings change significantly, the policy distribution rate should change (see note 10). However, to protect the corpus, the policy rate should not be raised (i.e., distributions constrained) if Permanent Fund balance objectives have not been achieved.

^{vii} Calculating distributions as a percentage of the Permanent Fund is both a mechanism and an incentive to balance the interests of current and future beneficiaries. This structure ensures that:

- In normal conditions, distributions to current beneficiaries increase proportionately with the permanent fund balance
- Increases in distributions are sustainable (supported by sufficient permanent assets)
- Holding excess reserves is discouraged

Transfers from Earnings Reserve, both historical and approved but not completed, are added to the annual amounts used in calculating the three-year average Permanent Fund balance.

^{viii} To reflect the desired conservative bias in setting policy distribution rates:

- Policy distribution rates should be increased only based on a conservative “downside” forecast of long-term income: e.g., 25th percentile fund earnings and 20th percentile land revenue forecasts
- Policy distribution rates should be reduced if the current rate can only be justified with optimistic earnings and revenue forecasts. Ideally, the reduction in the rate would be accomplished by holding the distribution (in dollars) constant for a long period. However, an immediate cut in the absolute dollars would be required if reserves are low.

To reflect a conservative bias in setting annual distributions, the viability of a proposed distribution is tested by forecasting the coverage ratio over the next three years based on a “low” forecast of timber earnings and a 2% fund return.

It is impossible to eliminate the possibility of a reduction in distributions, but the policy is designed to allow at least two years warning of a potential reduction, consistent with the time lags inherent in the state budgeting process. If a fund is unable to make an appropriated distribution, that would be considered a catastrophic failure of the process. In the past, three endowments have experienced catastrophic failures (i.e., had insufficient reserves to pay promised distributions): Public School (2003), Ag College (2005) and Charitable Institutions (2005).

^{ix} Transfers of excess reserves to the Permanent Fund are generally approved annually at the August Land Board meeting, based on balances as of the previous year end and approved distributions for the next fiscal year, but actually done in September

Requiring that reserves which exceed a sufficient or target level be converted to corpus (i.e., transferred to the Permanent Fund) reduces the temptation to:

- Make large, one-time distributions of accumulated income to the detriment of future beneficiaries
- Hoard income to avoid an increase in distributions that would automatically result from a conversion

^x The determination of how many years of reserves is sufficient was based on the combined volatility of fund returns and net land revenues, which is heavily influenced by the fact that in a severe equity downturn (once every 25 years), no distributable income would be available from the Permanent Fund for about five years because the Permanent Fund would retain all of its income to rebuild the corpus. A temporary increase in the years of reserve, above the targeted level, may be called for if there is a temporary reduction in expected income (e.g., timber harvest is predicted to be unusually low). Reserves for the three endowments with cabin site dispositions will be allowed to rise up to a year above target, pending an update of the distribution models to reflect the impact of the dispositions on the desired reserve levels.

^{xi} There will always be temporary deviations from this balance because actual income after inflation will vary from the expectations used to establish the distribution rate.

^{xii} The Land Board has the legal authority to consider a beneficiaries' other sources of revenue in setting distributions and therefore could attempt to adjust distributions in response to changes in tax receipts or fund income. However, only the Legislature has the Constitutional responsibility and authority to balance a beneficiary's total spending in excess of endowment distributions with tax revenues. When endowment distributions decline, the Legislature can choose to provide tax revenues to maintain the total level of spending they believe is appropriate. When endowment distributions rise, the Legislature can choose to reduce tax revenues to maintain the level of total spending they believe is optimal. The Land Board has no control over tax revenues and would be unable, without the Legislature's consent, to adjust distributions in response to changes in tax receipts. Also, the Legislature is in a better position than the Land Board to balance a beneficiary's unfunded needs with all other expenditure requests and options to increase or decrease tax revenues.

STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Regular Agenda

Subject

Reconsideration of disposition of 160 acres of rangeland near Driggs, Idaho

Question Presented

Shall the Land Board reconsider the disposition of 160 acres of rangeland near Driggs (Driggs 160) through auction?

Background

The State Board of Land Commissioners (Land Board) is constitutionally and statutorily charged with the management of state endowment lands for the maximum long-term financial return to endowment beneficiaries. A key component of this authority is the power to sell state endowment land, as outlined in Idaho Code, Title 58, specifically § 58-105.

During the July 15, 2025 regular Land Board meeting, the Land Board approved the Idaho Department of Lands' (Department) request to dispose of the Driggs 160 through public auction. Per Idaho Code § 58-313A, the Land Board "...shall first give notice in writing by certified mail to the commissioners of the county or counties in which said lands are located of their intention to direct such sale. If, within sixty (60) days of the receipt of such notice the county commissioners shall object to such sale, they shall file their objections in writing with the state board of land commissioners who shall thereupon at the next regular meeting reconsider the order directing such sale and if good cause appears therefor they shall rescind the order...."

Discussion

Written notice was sent to the county commissioners via certified mail on July 17, 2025 and received on July 21, 2025 (Attachment 1). The county then had until September 19th to bring any objection to the attention of the Land Board, per statute.

On Monday, August 11, 2025, Department staff attended a County Board of Commissioners meeting in Teton County to discuss the sale, describe the process, and answer any questions. During this meeting the process for objection was discussed.

On September 12, 2025, the Department received a letter from Teton County Commissioners expressing opposition to the sale (Attachment 2). This letter was

signed by two of the three members of the commission. On September 15, 2025, the Department received a letter from the remaining commissioner explaining why he declined to sign the letter of opposition (Attachment 3). Since the August 11th Commissioners' meeting, the Department has received other correspondence expressing both support for and opposition to the sale (Attachment 4).

Per Idaho Code § 58-313A, the next step in the process is for the Land Board to reconsider the order directing the sale of the parcel.

Recommendation

Proceed with the disposition of 160 acres of rangeland near Driggs (Driggs 160) through public auction.

Board Action

Attachments

1. July 17, 2025 letter to Teton County Commissioners
2. September 12, 2025 letter from Teton County Commissioners
3. September 15, 2025 letter from Commissioner James
4. Public Comments

**Idaho Department of
Lands**

Director's Office
300 N. 6th Street, Suite
103
P.O. Box 83720
Boise, ID 83720-0050
Phone (208) 334-0200



Dustin T. Miller, Director
Working Lands, Trusted
Stewards
Equal Opportunity Employer

State Board of Land Commissioners

Brad Little, Governor
Phil McGrane, Secretary of State
Raúl R. Labrador, Attorney General
Brandon D Woolf, State Controller
Debbie Critchfield, Sup't Public
Instruction

July 17, 2025

Brad Wolfe
Chairman
Teton County Commissioners
150 Courthouse Drive
Driggs, ID 83422

Delivered By Certified Mail

Re: Disposition of 160 acres of State Endowment land in Teton County

Dear Mr. Wolfe:

The State of Idaho intends to dispose of approximately 160-acres of grazing land in Teton County.

The property is the "Driggs 160" property, which is located in Section 11, T6N, R45E, and consists of 160-acres of land. The Driggs 160 property is adjacent to the County Road North 500 W and is north of the town of Driggs, Idaho. Driggs 160 is within tax parcel that is identified as RP06N45E117200.

As required by Section 58-313A, Idaho Code, the State Board of Land Commissioners wishes to ascertain if Teton County has any objections to the disposition of this state endowment land.

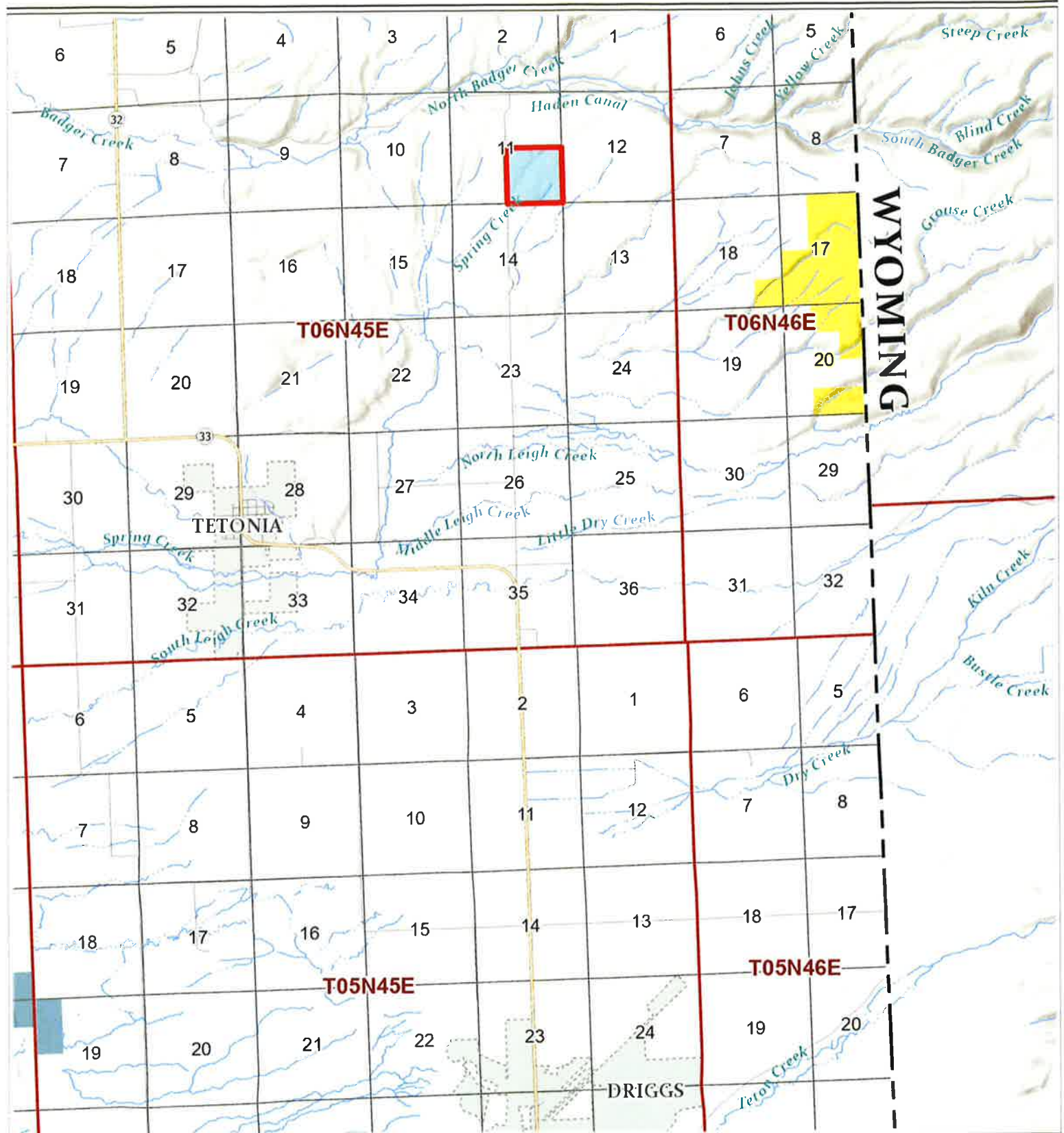
If Teton County wishes to object to the land sale as described, then a written statement must be received by the state within 60 days of your receipt of this letter. If we do not receive a reply to this letter, we will assume that Teton County has no objection to the disposition.

Respectfully,

Zane Lathim
Section Manager

Enc. \Map

Sent Certified Mail – Return Receipt Requested – 7022 1670 0001 2356 4725



- To be Disposed
- Bureau of Land Management
- Private
- State
- Other State

Driggs 160 Parcel
 SE1/4 of Sec. 11, T06N R45E
 Teton County, Idaho
 7/7/2025



0 1 2 Miles

Map Notes

Projections: 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.





(208)776-8254

bocc@tetoncountyidaho.gov

Teton County Commissioners

150 Courthouse Drive

Driggs Idaho 83422

September 12, 2025

To: Governor Little, Director Dustin Miller and The State Board of Land Commissioners
Idaho Department of Lands
300 N. 6th Street,
Suite 103
Boise, Idaho 83720

RE: Driggs-160 Public Lands Sale

Dear Governor Little, Director Dustin Miller and the State Board of Land Commissioners,

We, the Board of County Commissioners are wiring you in regards to the proposed sale of the endowment land located at 500 West in Teton, Idaho, commonly referred to as the Driggs 160.

We have intensely debated this issue, have had several public meetings with an abnormally large amount of interest and interaction and, additionally, received hundreds of emails where the public has voiced their opinion. We have taken every minute of the time allowed to us to consider these responses so that we might give you our best understanding of what our county desires.

We understand there is a current lease on the property that, if sold, will greatly impact the financial well-being of the family involved. Terminating this lease mid-stream is definitely not in their best interest and hundreds have spoken in opposition to the sale in their defense as well as to the loss of agricultural land available for public use in a highly agricultural county. Our Comprehensive plan (p1-8) states "We will strive to ... Maintain, nurture and enhance the rural character and heritage of Teton Valley". It's hard to picture a more striking depiction of this mandate than the Beard family ranching on this property.

At the same time we also understand the reasons endowment lands were introduced over 150 years ago. It does seem however, that the timing of the sale at this time is not in the best interest of County. We would receive little or no tax benefit to our tax rolls and the help to schools, youth and health care would be small and would not be realized during the next

ATTACHMENT 2



(208)776-8254

bocc@tetoncountyidaho.gov

Teton County Commissioners

150 Courthouse Drive

Driggs Idaho 83422

five years or not at all if the land were traded.

With the overwhelmingly strong opposition we have received from the public, we as the commissioners of Teton County and representing our constituents, have unitedly come to the decision they we respectfully request that the "Driggs 160" not be considered for sale at this time.

Thank you for your consideration.

(Signature Page Follows)

Teton County Board of County Commissioners

Brad Wolfe (Chair)

Ron James

Dan Powers

My letter as a Commissioner on the sale of the 160 acres

Subject: My Position on Signing the Opposition Letter Regarding the Driggs-160 Public Lands Sale

Dear Fellow Teton County Board of County Commissioners and Relevant Parties,
I am writing to formally explain my position regarding the proposed opposition letters to Governor Little and Director Dustin Miller of the Idaho Department of Lands, dated August 25, 2025, concerning the sale of the "Driggs-160" public land parcel. As you know, these letters express strong opposition to the sale on behalf of the Teton County Board of County Commissioners. While I respect the concerns raised by our community and the intent behind these letters, I must respectfully decline to sign them.

My decision is based on my belief that this matter has been appropriately decided at the state level by the Governor, the Attorney General, and the State Board of Land Commissioners. These officials, acting within their authority under Idaho law, have reviewed the proposal and authorized the sale after due consideration. It is my view that intervening or expressing opposition from the local county level would be inappropriate, as it could undermine the state's decision-making process and overstep the boundaries of our local jurisdiction. The management and disposal of state-owned endowment lands, including decisions related to sales for the benefit of Idaho's charitable institutions, are fundamentally state responsibilities, and I believe it is not our place as county commissioners to challenge or second-guess those determinations.

I understand the passion surrounding this issue, including the value of public lands for agriculture, wildlife, and community heritage, as highlighted in the numerous public comments we have received. However, I remain convinced that respecting the state's authority in this instance is the proper course of action. If there are opportunities for local input through established channels, such as public hearings or formal comment periods, I would support encouraging community participation in those forums.

Thank you for understanding my position. I am committed to working collaboratively with you on other matters that directly fall within our local purview to serve the best interests of Teton County residents.

Sincerely,
Ron James
Teton County Commissioner
(208) 776-8254 mailto:rjames@tetoncountyidaho.com
150 Courthouse Drive Driggs, Idaho 83422

From: [Carol Riley](#)
To: [Comments](#)
Subject: Teton County Auction
Date: Saturday, September 6, 2025 8:21:12 AM

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Hello:

I am asking you to vote NO to the 160 acres of public land which is going to auction. Please do NOT allow this to happen to allow a local rancher who has been in the Driggs area for 5 generations to continue to lease it. Please do NOT allow a wealthy individual to purchase it so he can up his land portfolio. This gentleman is not even a local where as the rancher has been here for many years and uses this land as part of his living.

Please have some decency and preserve this land and allow the rancher to continue to lease it.

Thank you,
Carol Riley
Driggs, ID

From: [Jen Werlin](#)
To: [Comments](#)
Cc: bocc@tetoncountyidaho.gov
Subject: Teton County Auction Driggs 160
Date: Sunday, September 7, 2025 9:48:59 AM

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

I am writing in opposition to the sale of Driggs 160, the parcel of state land located off of 500 west in Tetonia. There is overwhelming opposition to selling this parcel from locals of Teton Valley, Idaho. As an agricultural educator with over 20 years of experience working to support community food systems, I support keeping this land open to agriculture and public access. It should be available to future generations, as well as agricultural producers who responsibly steward the land.

The Beard family are longtime lessees of this parcel and have responsibly leased it for ranching uses, helping to contribute to our rich agricultural heritage in Teton County, ID. This land is also important for migratory wildlife habitat. The sale of this land would not directly benefit the people of Teton County, ID and is shortsighted. It's also shameful that the Beards had to learn about the potential sale indirectly over social media.

Furthermore, it is interesting that discussion of selling this parcel came up after the billionaire neighbor Tull expressed interest in buying this land. The state of Idaho and our board of county commissioners should work for the interests of all constituents, not just those who have deep pocket books.

Sincerely,

Jennifer Werlin
Victor, Idaho

From: [Contact Us Form](#)
To: [Comments](#)
Subject: Public Comment
Date: Sunday, September 7, 2025 8:13:22 PM

Full Name: Christina Heilman
Email: chris.heilman77@gmail.com
Phone Number: 208-534-8099
Mailing Address: 545 Booshway St
City: Driggs
State: ID
Zip Code: 83422
Your Comment: Dear Idaho Land Board,

I am writing as a concerned Idaho parent and citizen urging you to stop the proposed auction of the 160-acre parcel known as Driggs 160 in Teton County, ID.

This parcel was set aside to serve the public good. Selling it off permanently strips away a resource that supports our institutions and our communities. Once public land is gone, it is gone forever.

As a fundraiser for public education, Idaho already ranks last in the nation for education funding. In 2023, the state spent just over \$10,200 per student, compared to a national average of \$16,500. This shortfall is not just a number on a spreadsheet—it shows up every day in our classrooms, with larger class sizes, outdated materials, and fewer supports for kids who need them most. Selling trust land only deepens these inequities.

Here in Teton County, the education impacts are clear:

- Math proficiency: ~35% of students, compared to ~41% statewide.
- Reading proficiency: ~47%, compared to ~52–55% statewide.
- Graduation rate: Strong at 95%, but too many students graduate without reaching benchmarks in core subjects.

If the Driggs 160 sale moves forward:

- Teton County gains nothing—not a single dollar returns to our community.
- A longtime leaseholder loses part of their livelihood, weakening local agriculture.
- A dangerous precedent is set for privatizing Idaho trust lands.

Idaho's trust lands are a shared inheritance. They should generate long-term value for schools and state institutions—not be sold off in short-sighted deals.

I respectfully urge you to halt this sale and protect Driggs 160 for the benefit of Idaho's people, public lands, and children's future.

Sincerely,
Christina Heilman, PhD

Date: September 7, 2025

Time: 8:13 pm

Page URL: https://www.idl.idaho.gov/contact-us/#elementor-toc__heading-anchor-5

User Agent: Mozilla/5.0 (Macintosh; Intel Mac OS X 10_15_7) AppleWebKit/605.1.15 (KHTML, like Gecko) Version/18.3 Safari/605.1.15 Ddg/17.7

Remote IP: 164.165.66.134

Powered by: Elementor

From: [Burt Smith](#)
To: [Comments](#)
Subject: Teton County Auction
Date: Sunday, September 14, 2025 3:41:28 PM

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Dear Governor Little and Commissioners:

Please register this comment as **OPPOSITION** to the proposed auction and sale of the 160-acre parcel of state trust land east of Tetonia to any private entity. Among other things, the proposed sale damages Teton County by reducing the amount of open land in the county and by interfering with wildlife migration in the county. Additionally, please ask "What is the direct benefit to the citizens of Teton County?" I suggest that there is none. Indeed, how can any short-term monetary gain by the State outweigh the loss of the public's permanent ownership and control of this parcel?

Please make your decision based on the long-term interests of the citizens of Teton County and not upon some fleeting sale proceeds.

Thank you,
s/ Carol Smith

s/ Burt Smith

From: [Burt Smith](#)
To: [Comments](#); brad.little@gmail.com; [Roger Hall](#); ag@idaho.gov; gov@idaho.com; sco@idaho.com; sde@idaho.com; sos@idaho.com
Subject: Teton County Auction
Date: Sunday, September 14, 2025 3:35:23 PM

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Date: Sunday, September 14, 2025

To: Idaho Board of Land Commissioners and its Members [comments@idl.idaho.gov]:

Governor Brad Little [via email to brad.little@gmail.com and gov.idaho.gov]

State Controller Brandon Woolf [via email to sco.idaho.gov]

Superintendent of Public Instruction Debbie Critchfield [via email to sde@idaho.gov]

Secretary of State Phil McGrane [via email to sos@gmail.com]

Attorney General Raul R. Labrador [via email to ag.idaho.gov]

IDL Director Dustin Miller [c/o Roger Hall via email to rhall@idl.idaho.gov]

From: Burt Smith, 351 Palisade Trail, Driggs, ID 83422

Re: Teton County Auction

Dear Governor Little and Commissioners:

Please register this comment as **OPPOSITION** to the proposed auction and sale of the 160-acre parcel of state trust land east of Tetonia to any private entity. Among other things, the proposed sale damages Teton County by reducing the amount of open land in the county and by interfering with wildlife migration in the county. Additionally, please ask "What is the direct benefit to the citizens of Teton County?" I suggest that there is none. Indeed, how can any short-term monetary gain by the State outweigh the loss of the public's permanent ownership and control of this parcel?

Please make your decision based on the long-term interests of the citizens of Teton County and not upon some fleeting sale proceeds.

Thank you,
s/ Burt Smith

From: [Olerud Family](#)
To: [Comments](#)
Subject: Our public lands
Date: Monday, September 15, 2025 9:13:26 AM

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Hello,

I just wanted to voice my opposition to selling the 160 acre parcel of state land in Teton County.

These lands are owned and can be enjoyed by every citizen of Idaho, as well as people from all over the country. Selling this parcel to the highest bidder takes this amazing resource away from the public and endangers access to other publicly owned land.

In addition, this land is currently leased by a rancher who agreed to a legal document allowing them to graze on this land. Selling this parcel would be a violation of this contract.

Our public lands are threatened every day. Please do your part to protect our national heritage and say no to this sale.

Thank you,

Andy Olerud

From: tsbalben@silverstar.com
To: [Comments](#)
Subject: teton county 160 acre potential land auction
Date: Monday, September 15, 2025 10:07:54 AM

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

We very much oppose the termination of the grazing lease on the 160 acre parcel in Teton County ID. Locally sold beef from the Beard family has been on our table for many years. Our county has lost so many farms and ranches over the past 20 + years. All I know about this is what I read in the newspapers. We have been here in Teton valley 35 years..raised children here.. and worked locally..now retired and really trying to adapt to all the growth and changes happening. We are being swallowed up by wealthy investors who care nothing about our county..just amassing and developing land in any way possible. An auction and terminating a grazing lease seems both legal and unethical. Please continue the grazing lease issued to the Beard family for the period agreed upon when this lease was signed. Support our farms and the hard working farmers and ranchers. Please and thank you ..I have been curious about legal access to this said property also. and how it could be "land-locked" as described in the newspaper? Sarah and Tom Balben..concerned locals in Teton Valley ID

From: djknb@silverstar.com
To: [Comments](#); [Roger Hall](#)
Subject: Proposed Land Sale Teton County 160 Acres
Date: Monday, September 15, 2025 2:58:49 PM

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Hello,

My husband and I would like to express our opposition to the proposed auction of state public land in Teton County, specifically the 160 acres of grazing land currently leased by Nick Beard's family historically since the 1990's and contracted to by the state until 2032.

Mr. Beard is a fifth generation Teton County rancher who would like to continue the tradition his family has worked for more than a hundred years. This should mean something, even at the state level, in an agricultural, conservative state that supposedly values these traditions.

Teton County has been discovered, and we try to maintain the resources and community that brought all of us here and continues attract more and wealthier people.

We are sure if the Land Board looks beyond this certain windfall auction, it has other parcels in other places, if a public land sale is deemed essential for raising money to put in the endowment to sit for the next five years.

Perhaps better use of the state's tax revenues might help with state shortfalls, especially in education, which seem to have recently come to light. Perhaps not using our tax money to fund private and charter schools would be a place to start.

This issue has brought our community together like few issues have in the past decade or longer. Even our divided Board of County Commissioners decided they would represent the will of the citizens of Teton County and come out against this land auction. We need to protect our natural resources, especially as part of the Yellowstone Ecosystem.

Please reconsider this Land Auction. It is not necessary. Just because you can do something, does not mean you should.

Thank you,

Jan & Don Betts

Residents of Teton County, Idaho since 1985

From: [Chris Larson](#)
To: [Comments](#)
Subject: Teton County auction
Date: Tuesday, September 16, 2025 12:51:58 PM

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Board of Land Commissioners,

I'm writing with respect to the land auction you're proposing in Teton County. I'm opposed to the state selling this 160 acre parcel at auction. This parcel of land has been grazed by a legacy ranch family for many years.

As a member of the Teton Count Historic Preservation Commission, I work to preserve the historic legacy of Teton Valley. This is a part of that. Selling this parcel to someone like Thomas Tull does nothing to preserve our past.

Thank you for your consideration.

Chris Larson

From: [penny vasquez](#)
To: [Comments](#)
Subject: teton county auction
Date: Monday, September 15, 2025 5:06:28 PM
Attachments: [image.png](#)

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Driggs 160

This is Commission Brad Wolfe letter who doesn't mention the fact that he has ignored those in favor of the land being sold. (My corrections are in red)

We are writing to express our strong opposition to the proposed sale of public land located on 500 W in Teton, referred to as the "Driggs-160", which is currently leased for cattle grazing purposes. The longtime leaseholder has responsibly managed this land in partnership with local and federal agencies, maintaining its ecological (buzz/trigger word, where is the data showing how) health while supporting their family's livelihood (most of the land sold to Mr. Tull has been by the Beard Family, Mr Beard has worked for Silverstar Communications in Driggs for the last 17 years, it will not jeopardize his livelihood and contributing to the local agricultural economy. (He does not contribute to the local community, unlike Crowfoot Meats, the Beards do not sell their product at the Farmers Market, no data) The sale of this land would not only jeopardize their ability to continue this work, (he is a hobby farmer at best) it also set a concerning precedent for the loss of public (STATE) land that supports sustainable (buzz / trigger word) agriculture and rural communities. Under Idaho law, the "best interests of the State" standard governs the disposal of state lands that are not specifically designated as school endowment lands. (We do benefit from deaf & blind school, which I told Brad Wolfe but he chose to ignore my comment) Idaho Code 58 313 broadly states that the state board of land commissioners may sell state lands as they deem are in "the best interests of the state. (It is a mandate and all of Idaho benefits from these sales) This broad language is not specific to endowment lands and grants the Land Board discretion to consider a range of public benefits and policy objectives beyond mere financial return.(State) Public lands are a shared resource, vital to both environmental stewardship and economic viability in our region. Privatizing this land would eliminate (a few of Mr Beard's friends use it for hunting, most people on the petition hadn't even seen it) access for multiple users, reduce local grazing capacity, and potentially lead to land uses that are inconsistent with the community's values and long-term interests. Our Comprehensive plan (p1-8) states "We will strive to ... Maintain, nurture and enhance the rural character and heritage of Teton Valley". (At best Brad Wolfe is cherry picking the Comp Plan. He doesn't even realize that according to the Givens Pursley Land Use book, the comprehensive plan is a "Vision and a Framework"...in fact if Brad Wolfe had any inkling about our comp plan, he would know that in 2019 after seven years we accomplished one thing. The short plat, which was to help the farmer divide his land easily. Yet the ex commissioner Cindy Riegel and Shawn Hill from the toxic group VARD voted against it. For the most part this community has never helped the farmer/ rancher. Mark Harris knows about the problems here and has tried desperately to help us. Even going to the AG's office over this hot mic video of the last commissioners claiming how they skirted the Opening Mtg. law rules. I have written the AG's office but I am told to go to my prosecutor. She has a violation from November from me that she has yet to answer. It's hard to picture a more striking depiction of this mandate than the Beard family ranching on this property. We respectfully

urge the commission to consider the broader implications of this sale and to prioritize the continued stewardship of public lands through existing lease agreements. Thank you for your time and consideration. Teton County Board of County Commissioners Page
[Here are the broader implications, if your board cow-tows to this group you are opening your board to this being a trend for the liberal progressives.](#)



[Ex-commissioner Riegel takes a stab at Gov. Little I told Mr. Wolfe that it was a FB petition, here are the %](#) Outside ID: 427 or 29.72%

Idaho outside Teton County: 388 or 26.47%

Teton County: 651 or 44.40%

[Mr Wolfe stated while those who are outside of the county probably have property here. Not True. I told him on the 3rd page Jan Betts, our Democratic Party Head, stated she lives in Koorlong Australia, this alone should invalidate that petition. The petition isn't even done right. We have a population of 15k, take of 4k for kids....1400 is not 60%....in fact Mr. Wolfe \(he hasn't earned my respect to call him commissioner\) thinks if he sides with the Democrats they will re-elect him. I am frustrated by the lies, the tactics and the media half-truths. Mr Beard is a grown man, he signed the lease, Kim Keeley our County Clerk is the one who put it on FB and all because the losing opposition stated in the Hot Mic video, they knew how to put a "wedge" in these commissioners tenure and were leaving things in a F-word mess. \[video.isilive.ca/play/tetoncounty/2024-11-13_16_39_20.mp4\]\(https://video.isilive.ca/play/tetoncounty/2024-11-13_16_39_20.mp4\)](#)

It is 34 minutes, please listen too....A young man died the other day, he stood up for doing what was right. This group has tried to squash the truth from being told. Please go forward and sell the Driggs 160 (excuse any and all mistakes, as I said I am frustrated)

Penny NM Vasquez

2725 E 250 N Driggs ID 83422

208-351-0029

Note from IDL staff: Redactions were made to certain portions of this document, marked with asterisk (*), to remove profane and obscene language not relevant to the topic.

From: [penny vasquez](#)
To: [Comments](#)
Subject: Fwd: Read
Date: Monday, September 15, 2025 6:03:08 PM
Attachments: [image.png](#)
[image.png](#)
[image.png](#)
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CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Meant how the Beards have gouge Mr Tull when selling their grazing land..

----- Forwarded message -----

From: penny vasquez <pennynmv@gmail.com>
Date: Mon, Sep 15, 2025, 5:14 PM
Subject: Fwd: Read
To: Comments <comments@idl.idaho.gov>

I fully support Commissioner James' letter. I believe that the Driggs 160 should be sold. The facts have been ignored and the news media is biased. I have sent several letters with data. Thank you for listening to me. This is the FB post and the attack on Mr. Tull. Anyone of my clients from Jackson Hole could buy this land, but the way that those who oppose this sale has been disgusting. The Beard's are not a Heritage Farm, the land is scrub grass to me. And with the money that the Beards made from gouging Mr. Beard when they sold to him.....they could buy the land.

Penny NM Vasquez
2725 N 250 N Driggs ID 83422
208-351-0029

Nick Beard is with **Rikki Beard** and

10 others

.

[July 20](#) ·

Idaho Public Lands Are Not for Sale

Our Public Lands Are Under Attack — And Ranching Families Are Paying the Price

Right now, the State of Idaho is moving to sell off public lands, specifically the "Driggs-160"—lands that have been grazed, stewarded, and cared for by multi-generational ranchers for decades.

These aren't just open spaces on a map. They are the lifeblood of our rural communities—where cattle graze, wildlife thrives, and hardworking families make a living.

But the state wants to auction them off, not to locals, but to millionaires looking for trophy properties. With little warning or transparency, ranchers are being pushed off the land they've invested in—fencing, water systems, weed control—all gone in the blink of an eye.

 What happens next?

 "No Trespassing" signs

 Locked gates

 Private compounds

 Public access GONE

This is not just a local issue—it's a warning shot for every state that values public land, rural livelihoods, and honest stewardship.

 Help us raise the alarm:

 **SHARE** this post

 **TAG** your local news outlets

 **CALL** your elected officials

 **TELL** the story

We must stand up for those who feed us, care for the land, and hold Idaho's heritage in their hands.

See comments for petition link and other information regarding the potential sale of the "Driggs-160"

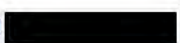
[#SaveIdahoLands](#) [#PublicLandNotPrivateProfit](#) [#RanchersMatter](#) [#KeepIdahoFree](#) [#IdahoNews](#) [#StopTheSellOff](#)

[Dustin Hulme](#)

"So it's not like there's only the potential of one buyer for the property..."

"No Governor, there's potential for multiple buyers."

HA!!!   

Good luck outbidding Terrible Tull!!  . * He's already lined the pockets of someone at the state level to put this piece up for auction.

I'm sorry you guys are losing this. I can't stand Teton Ridge and what they've done to Tetonia.

Last week my friends were up near the ranch on Pinochle Loop riding bikes and 3 security guards from TR chased them down and pointed AK47's right in their face and told them they were "too close" to private ground, and they needed to leave. It obviously created a heated argument and the security guards told them if they didn't leave they'd be forced to use lethal action.

Like what the [REDACTED]!!* Is that how they roll up there at TR? They have the authority to just shoot people for trespassing?? Last I checked that's not how the law works. If someone trespasses on your land, you call the police and report it.

Well not at TR! They just SSS!!

What a bunch of [REDACTED] [REDACTED].*

----- Forwarded message -----

From: **penny vasquez** <pennynmv@gmail.com>
Date: Fri, Sep 12, 2025 at 3:39 PM
Subject: Fwd: Read
To: Mark Harris <mharris@senate.idaho.gov>

Commissioner James told me he sent this to you.....He didn't realize it should have gone to the land board.....Did you forward it to them?

----- Forwarded message -----

From: **penny vasquez** <pennynmv@gmail.com>
Date: Tue, Sep 9, 2025 at 7:07 AM
Subject: Read
To: penny vasquez <pennynmv@gmail.com>

My letter

Subject: My Position on Signing the Opposition Letter Regarding the Driggs-160 Public Lands Sale

Dear Fellow Teton County Board of County Commissioners and Relevant Parties,
I am writing to formally explain my position regarding the proposed opposition letters to Governor Little and Director Dustin Miller of the Idaho Department of Lands, dated August 25, 2025, concerning the sale of the "Driggs-160" public land parcel. As you know, these letters express strong opposition to the sale on behalf of the Teton County Board of County Commissioners. While I respect the concerns raised by our community and the intent behind these letters, I must respectfully decline to sign them.

My decision is based on my belief that this matter has been appropriately decided at the state level by the Governor, the Attorney General, and the State Board of Land Commissioners. These officials, acting within their authority under Idaho law, have reviewed the proposal and authorized the sale after due consideration. It is my view that intervening or expressing opposition from the local county level would be inappropriate, as it could undermine the state's decision-making process and overstep the boundaries of our local jurisdiction. The management and disposal of state-owned endowment lands, including decisions related to sales for the benefit of Idaho's charitable institutions, are fundamentally state responsibilities,

and I believe it is not our place as county commissioners to challenge or second-guess those determinations.

I understand the passion surrounding this issue, including the value of public lands for agriculture, wildlife, and community heritage, as highlighted in the numerous public comments we have received. However, I remain convinced that respecting the state's authority in this instance is the proper course of action. If there are opportunities for local input through established channels, such as public hearings or formal comment periods, I would support encouraging community participation in those forums.

Thank you for understanding my position. I am committed to working collaboratively with you on other matters that directly fall within our local purview to serve the best interests of Teton County residents.

Sincerely,
Ron James
Teton County Commissioner
(208) 776-8254 <mailto:rjames@tetoncountyidaho.com>
150 Courthouse Drive Driggs, Idaho 83422

From: [Gordon Hansen](#)
To: [Comments](#)
Subject: Driggs 160 acres
Date: Monday, September 15, 2025 7:58:46 PM

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

I believe this is a sad day when a county can cause State agencies not to follow the State constitution. I think selling endowment land benefits all counties. I don't believe that a few people should stop our elected officials from doing their jobs.

It was a great mistake to give county commissioners more power than the State. Land Development Codes and Comprehensive plans are out of control in several counties. The State should be the driving force, not county commissioners who lean left or right.

Please do your job and auction off this land as the State has done for several years. Don't be bullied by county commissioners.

Thanks,

Ida Hansen

Sent from my iPad

STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Regular Agenda

Subject

Payette Lakes Land Exchange Concept

Question Presented

Shall the Land Board direct the Department to continue evaluating a potential exchange of endowment land around Payette Lake for federal land?

Background

The Idaho Department of Lands (Department) has discussed a potential land exchange involving endowment lands around Payette Lake and federal land administered by the United States Department of Agriculture Forest Service (Forest Service). The Department evaluated some of the endowment lands being considered for exchange during development of the Payette Endowment Lands Strategy, approved by the State Board of Land Commissioners (Land Board) in March of 2021.

The endowment lands under consideration for the potential exchange are underperforming assets, which means that the land revenue does not align with the land value. The Land Board's Statement of Investment Policy and Asset Management Plan each provide direction to evaluate and address underperforming assets through improved management, leasing, exchange, or disposition.

Discussion

The discussions concerning the potential land exchange have been focused on over 15,000 acres of endowment land around Payette Lake in Valley County (Attachment 1). The endowment lands under consideration are of high value and an exchange would likely require significantly more acres of federal land to achieve equal value. Final valuations of lands involved in a potential exchange would occur via appraisals conducted by third parties.

Discussions of the potential land exchange to date have focused on the following:

- Obtaining equal or greater value in exchange for the endowment lands.
- Consolidation of endowment lands.
- Improved access to more endowment land acreage plus continued public access to Payette Lake.
- Equal or greater income to the endowments primarily through leasing and timber management.
- Potential for similar land appreciation from the total acres exchanged.
- Alignment of land management objectives with the resulting land ownership for each entity, allowing more effective land and resource management.

Approval of continued evaluation of a potential exchange does not authorize the actual exchange. If the Department determines the potential exchange would be positive for the trust beneficiaries and is aligned with the Land Board Endowment Land Exchange Policy (2022), the Department would seek Land Board approval to conduct due diligence analysis at a future Land Board meeting. After completion of that analysis, if the Department considered the potential exchange worthy of Land Board consideration, the potential exchange would be presented to the Land Board for approval. Congressional action would typically provide direction for the federal portion of such an exchange.

If the exchange received final approval, the land acquired would be managed in the same manner as other endowment lands. Consistent with the Land Board's Recreation Policy (2018), the general public would have recreational access to legally accessible endowment lands, as long as the recreational activities do not degrade the lands, interfere with management activities, or otherwise negatively affect the long-term financial return to endowment beneficiaries.

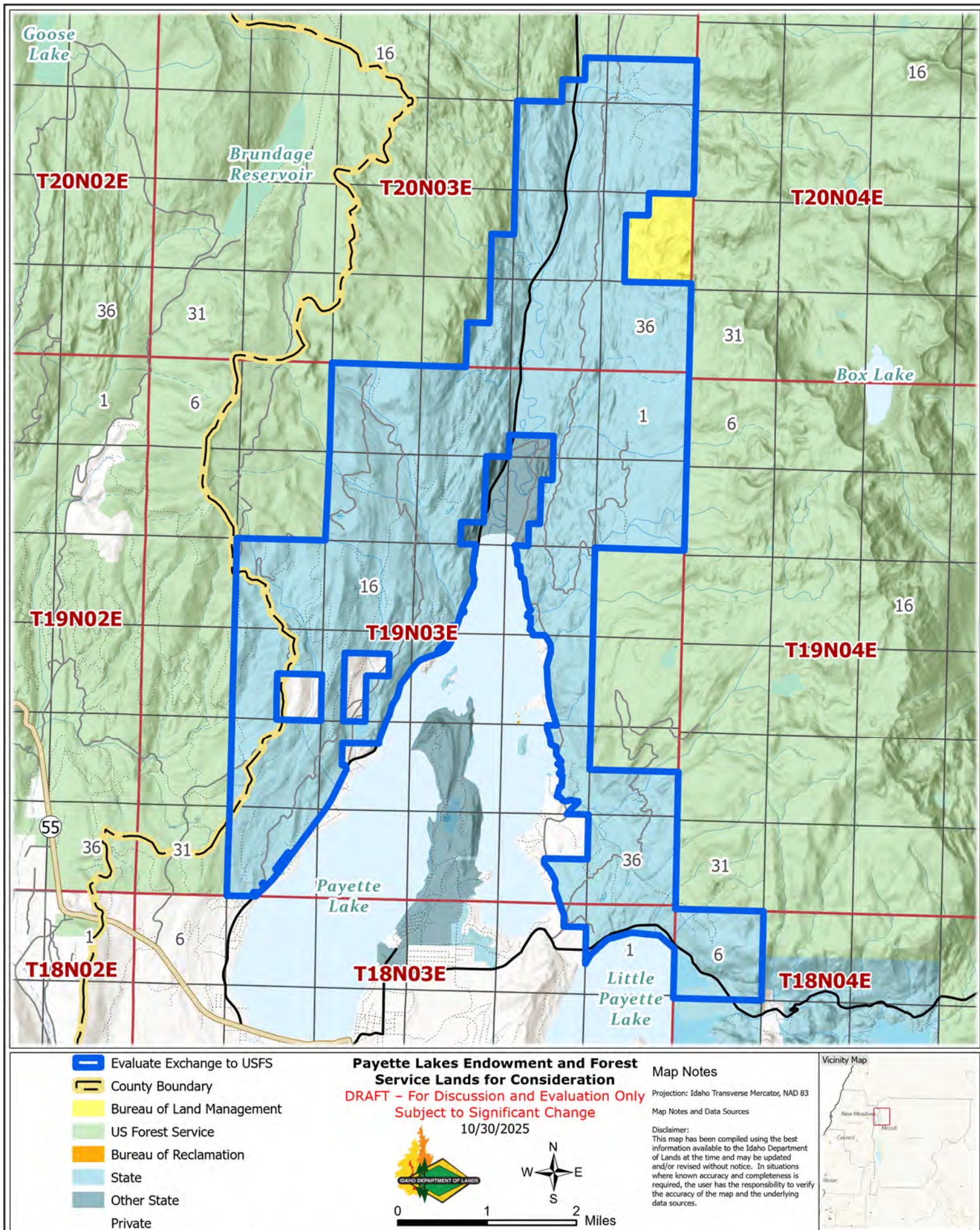
Recommendation

Direct the Department to continue evaluating a potential exchange of endowment land around Payette Lake for federal land.

Board Action

Attachments

1. Map—Endowment Lands under Consideration



STATE BOARD OF LAND COMMISSIONERS

November 18, 2025

Information Agenda

Subject

Idaho Shared Stewardship and Good Neighbor Authority Updates and Future Plans

Background

This is Idaho Department of Lands' (IDL) and the USDA Forest Service's (USFS) 2024 and 2025 progress reports showing annual updates, 2026 goals and the accomplishments of the No Boundaries Forestry programs—including Good Neighbor Authority (GNA) projects—under Idaho's Shared Stewardship Initiative.

Discussion

Summary updates and progress reports for 2024 and 2025.

- Signing of enhanced 2025 Idaho Shared Stewardship Agreement
 - o This is the second Idaho Shared Stewardship Agreement between the State of Idaho and the USFS, signed 11/14/25.
 - First Shared Stewardship master agreement between the State of Idaho and the USFS was signed December 2018.
 - This is an enhanced interagency agreement to manage forestlands, across ownership boundaries, with a collaborative, all-lands-all-hands approach to increase the pace and scale of harvesting and fuel-reduction treatments in high-risk forested landscapes across the state.
 - o This Agreement contains additional GNA harvesting targets on Idaho national forests.
- Policy and statutory changes in the Shared Stewardship and GNA programs
- Grant and funding changes that support Shared Stewardship cross-boundary and GNA projects
- Statewide progress in completing harvesting, thinning and fuel-reduction treatments on federal, state and private forestlands in Idaho over the last two years
- Future goals and plans of the cross-boundary fuel-reduction projects and GNA harvesting targets on the seven national forests

- Why continuing, enhancing and supporting IDL's efforts to increase the amount of harvesting and active management on all ownerships of forestlands is important—and is the only way to create effective fuel breaks to reduce the threats of wildfire damage

Attachments

1. GNA and Shared Stewardship Accomplishments

Idaho's GNA and Shared Stewardship Accomplishments

#NOBOUNDARIESFORESTRY

*Expanding Timber Production and Reducing Wildfire Risks
across Federal, State and Private Forest Ownerships*

Ara Andrea
Idaho S² Coordinator
IDL

Jon Songster
GNA Bureau Chief
IDL

Jeff Lau
N Idaho S² Coord.
Idaho Panhandle N. F.

Brian Davis
S Idaho S² Coord.
Payette N. F.



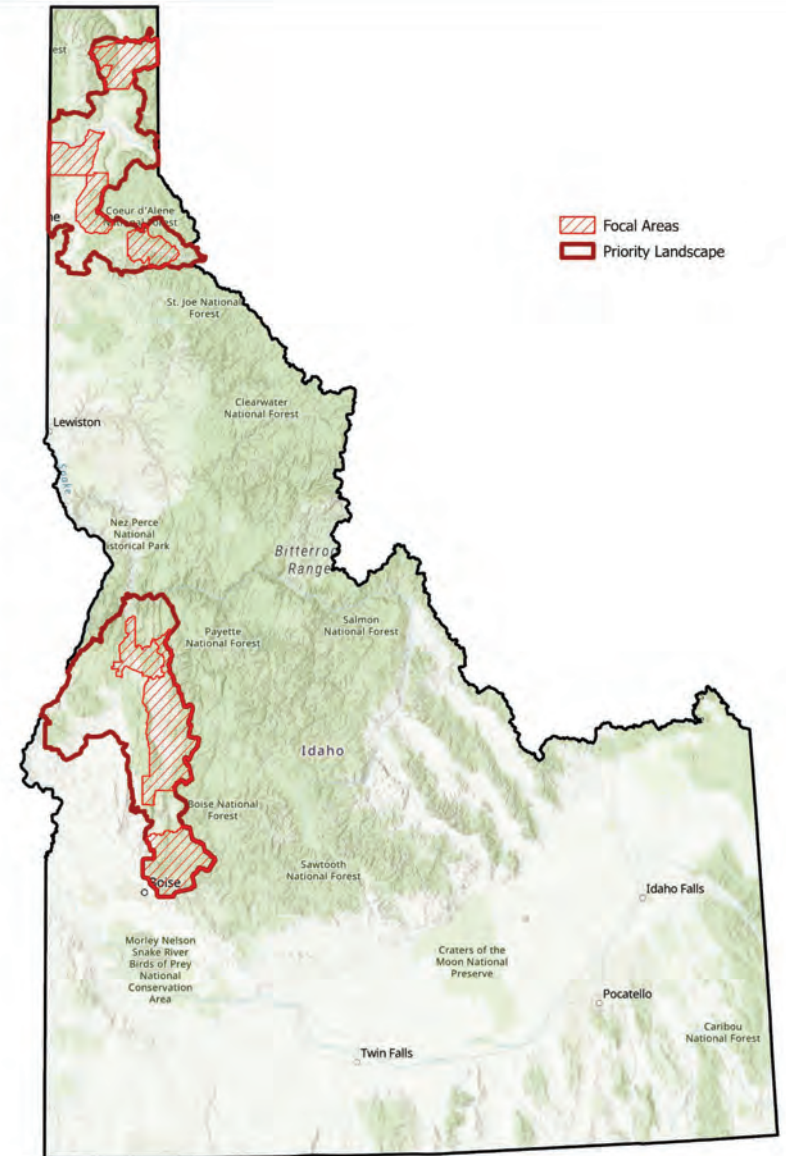
IDAHO SHARED STEWARDSHIP

► Shared Stewardship

- *First Shared Stewardship Master Agreement signed in 2018*
- *Enhanced Shared Stewardship Agreement signed in 2025*

► Priority Landscapes

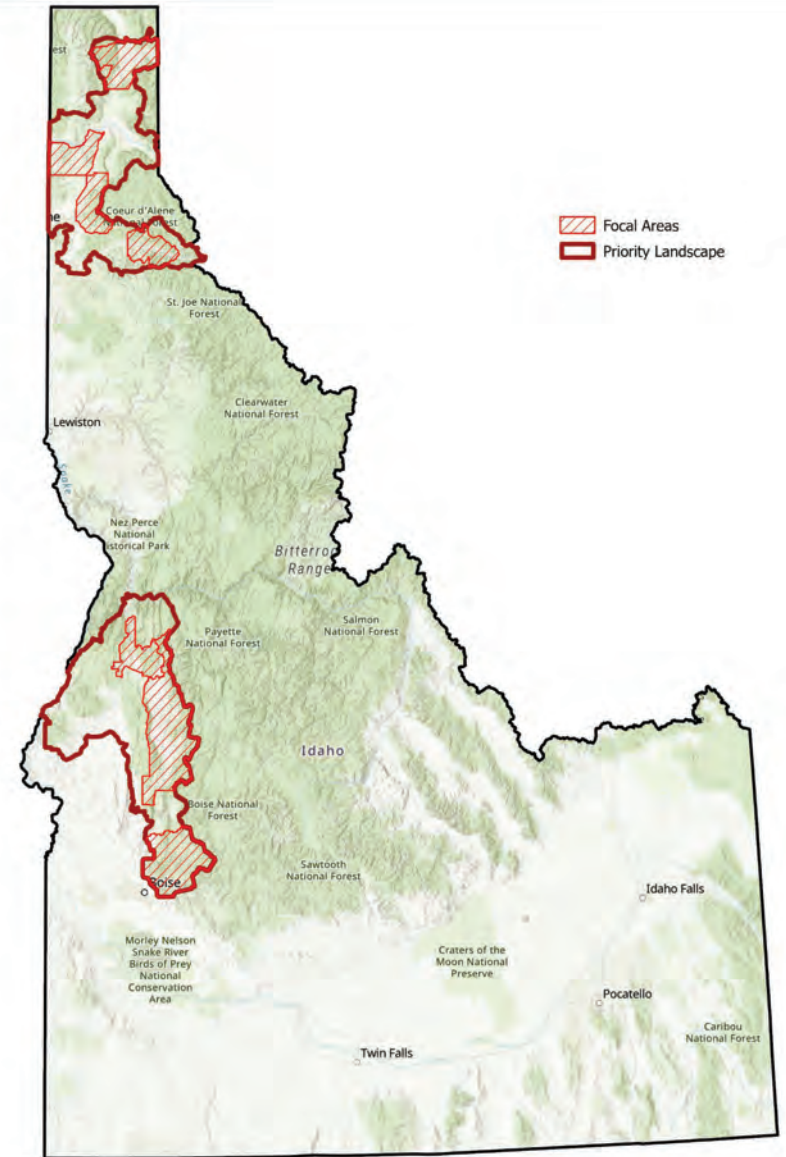
- *Designated by the IDL State Forester and USDA Forest Service Region 1 and Region 4 Foresters in 2019*
- *Modifications to southern PL boundary in 2022*



IDAHO SHARED STEWARDSHIP

► Shared Stewardship Highlights—2025

- *New 2025 Idaho Shared Stewardship Agreement*
- *Enhanced GNA targets*
- *Infrastructure funding, federal funding pauses, and new funding opportunities have resulted in a roller-coaster effect of treatments implemented on private lands*
- *FFY25 resulted in over \$12.9 million awarded to the participating seven counties in our North and South Priority Landscapes*
- *Cross-Boundary Teams in Valley and Shoshone Counties*
- *New County-IDL GNA Agreements with Boundary, Latah and Idaho counties*



IDAHO SHARED STEWARDSHIP

STATEWIDE PROGRESS

WITHIN S² PRIORITY LANDSCAPES

Cross-Boundary Projects next to 3 National Forests:

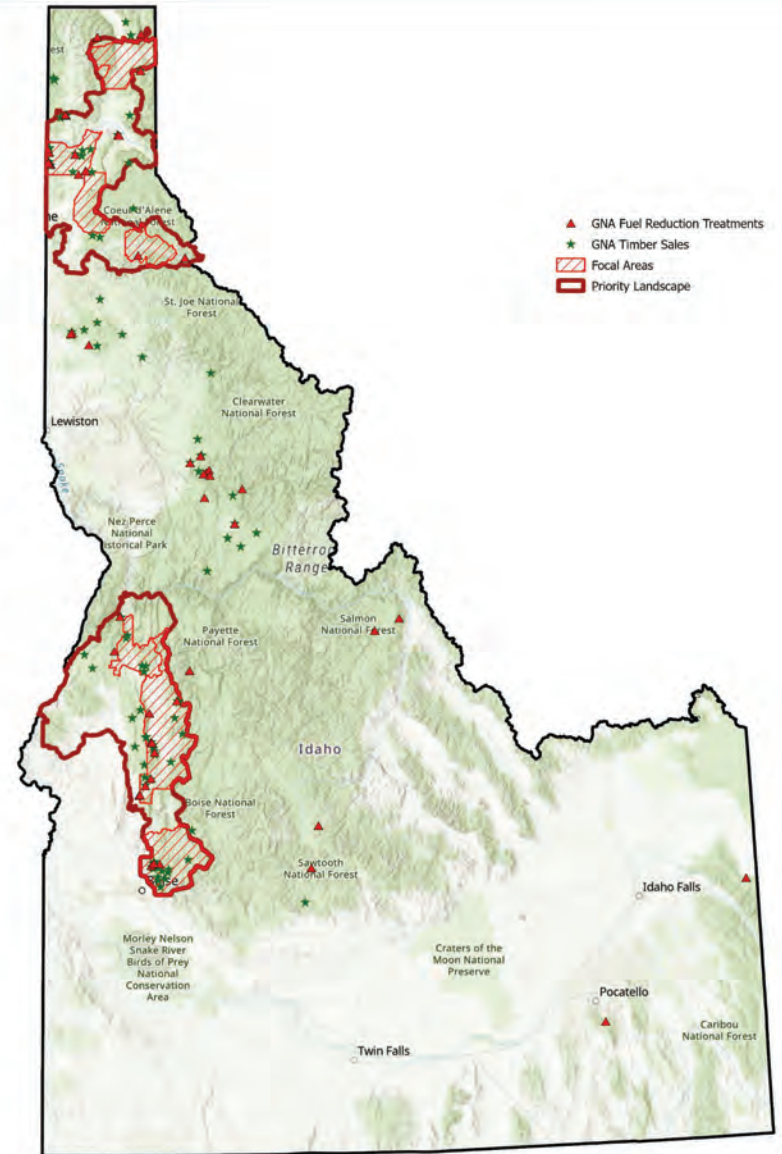
- Idaho Panhandle National Forests
- Payette National Forest
- Boise National Forest

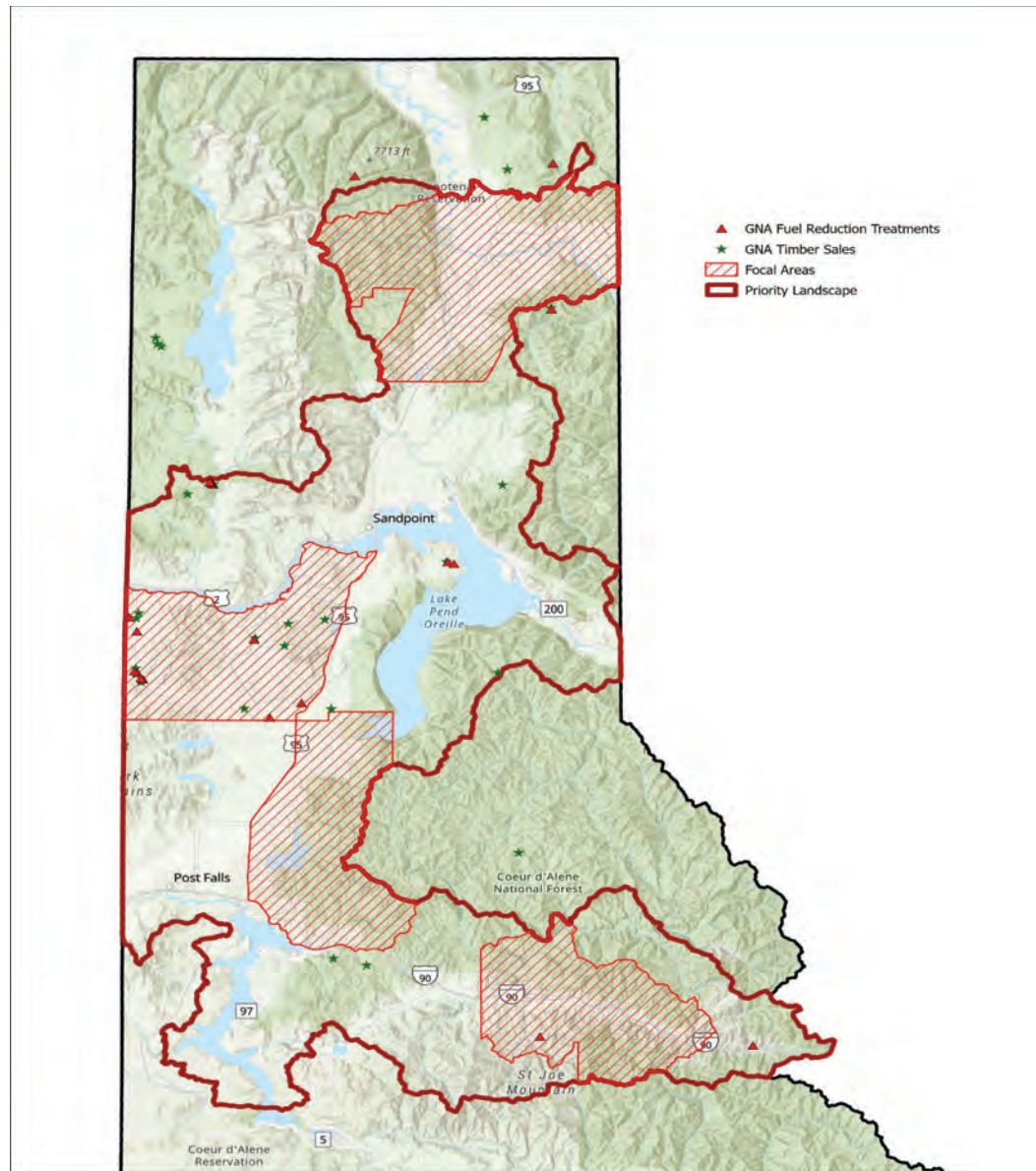


= *Timber sales*

= *Non-commercial treatments*

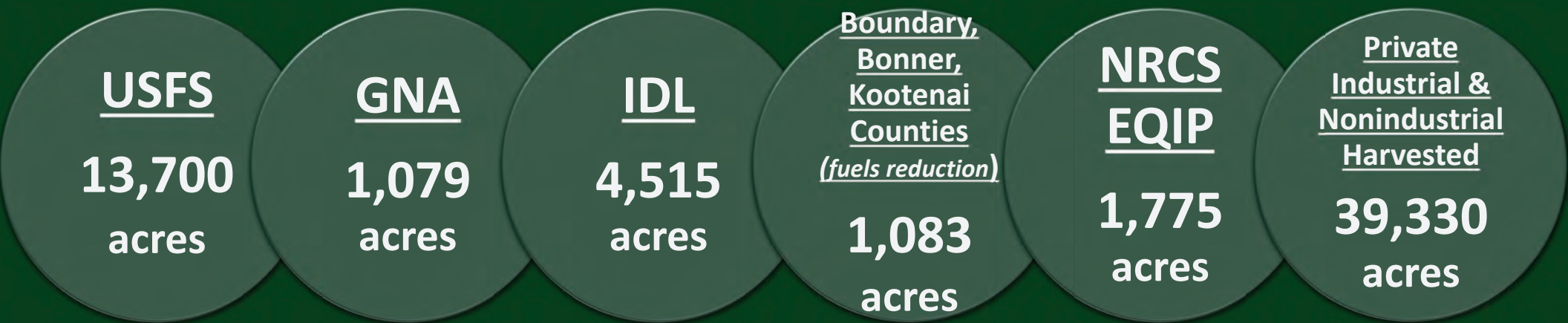
on National Forests and BLM
Lands Administered by **IDL GNA** Foresters





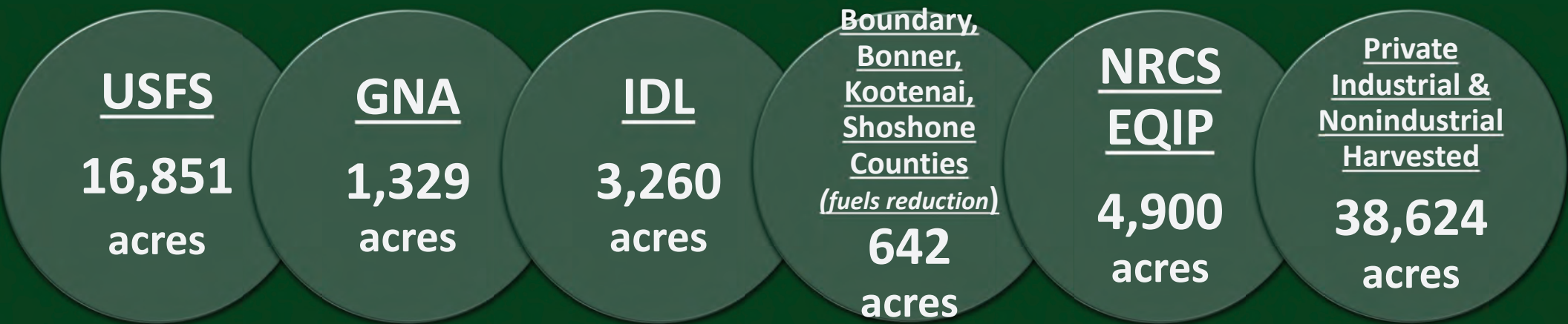
North-Idaho Shared Stewardship Priority Landscape

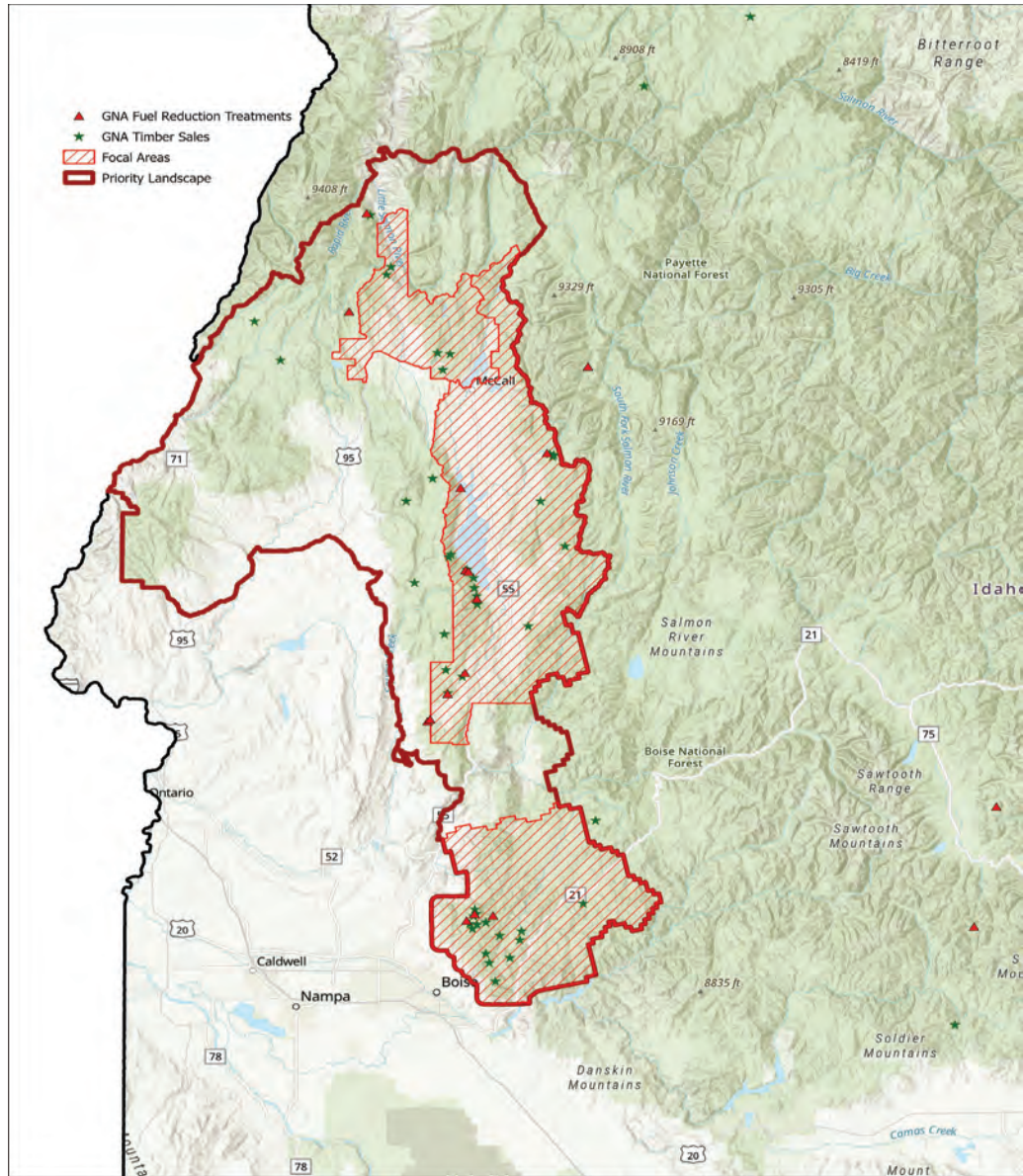
2024 Accomplishments



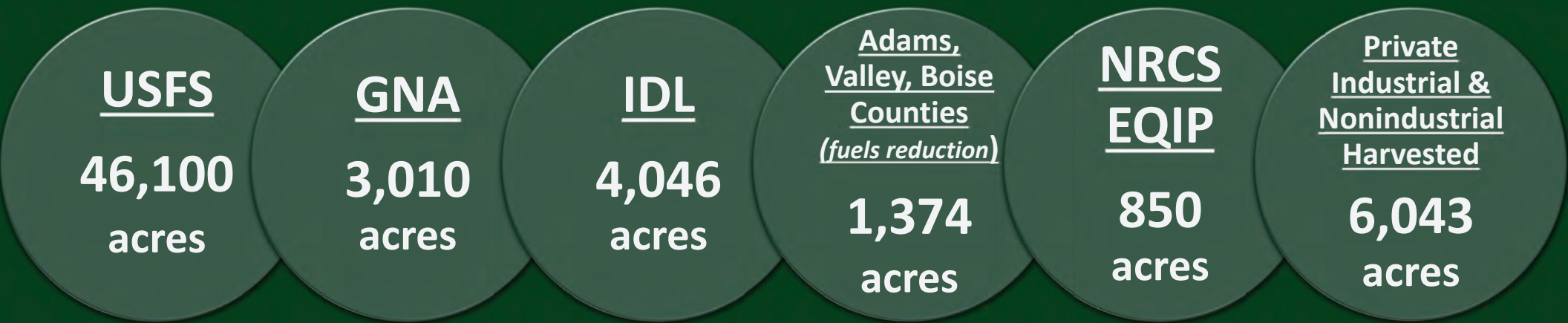
North-Idaho Shared Stewardship Priority Landscape

2025 Accomplishments

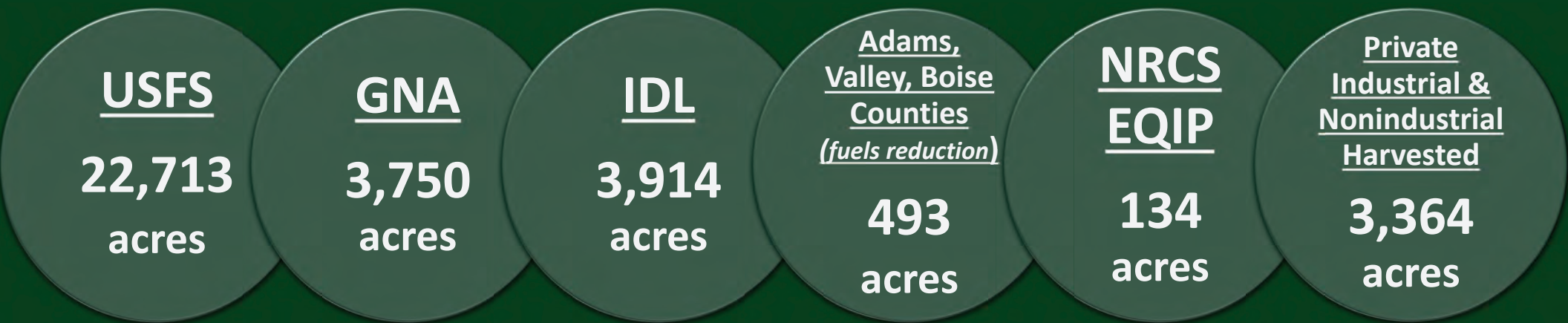


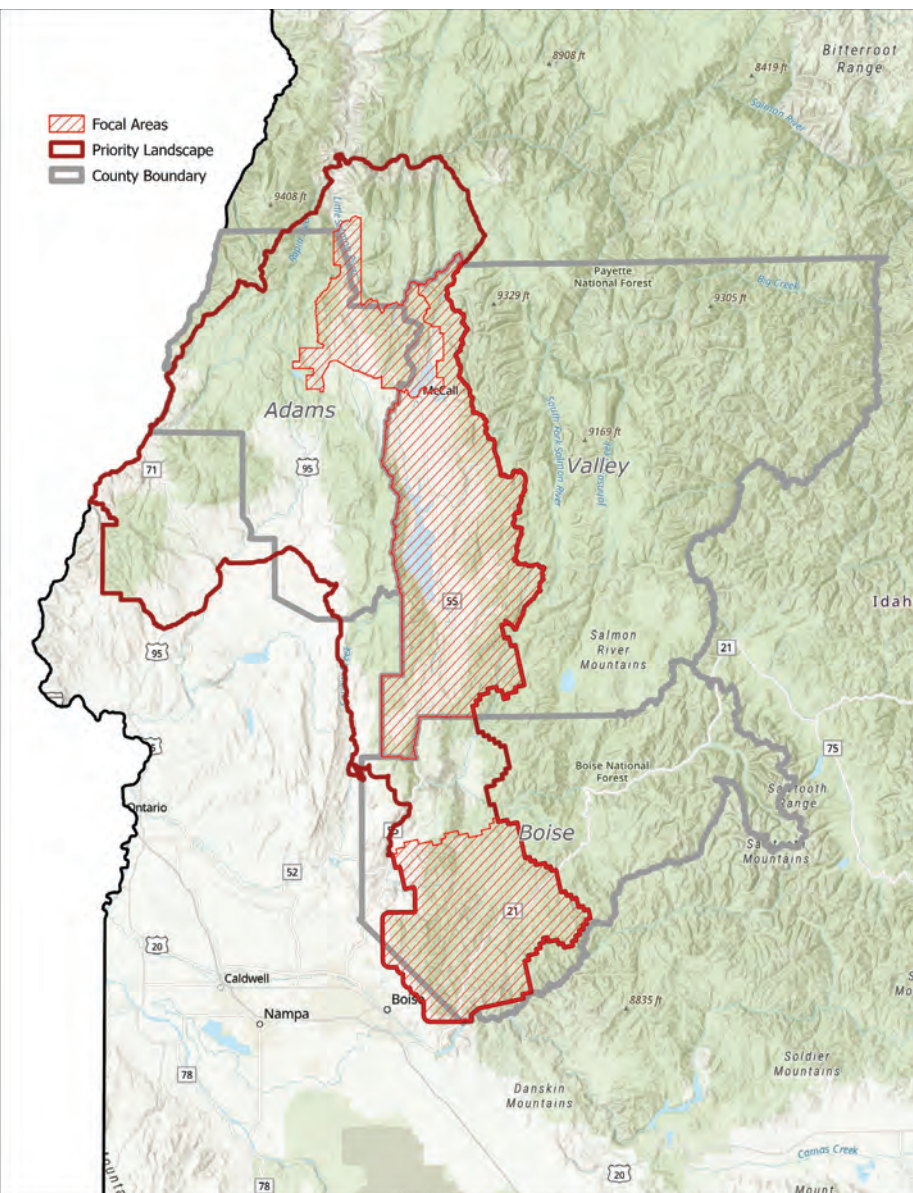


South-Idaho Shared Stewardship Priority Landscape 2024 Accomplishments



South-Idaho Shared Stewardship Priority Landscape 2025 Accomplishments





County GNA Funding

Adams County
\$995,000

Valley County
\$675,850

Boise County
\$675,000

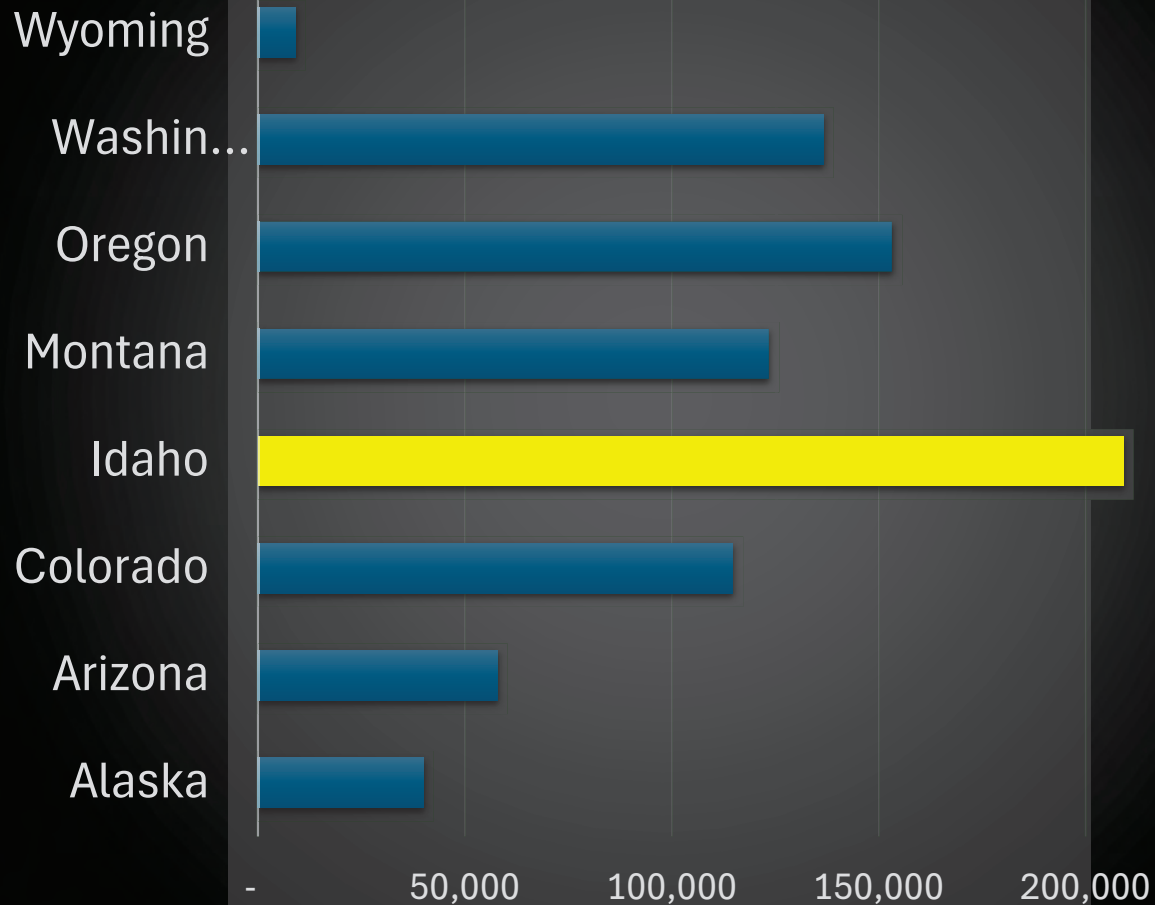




IDL GOOD NEIGHBOR AUTHORITY

GNA

GNA Timber Vol Sold (MBF) to Date



64 Timber sales

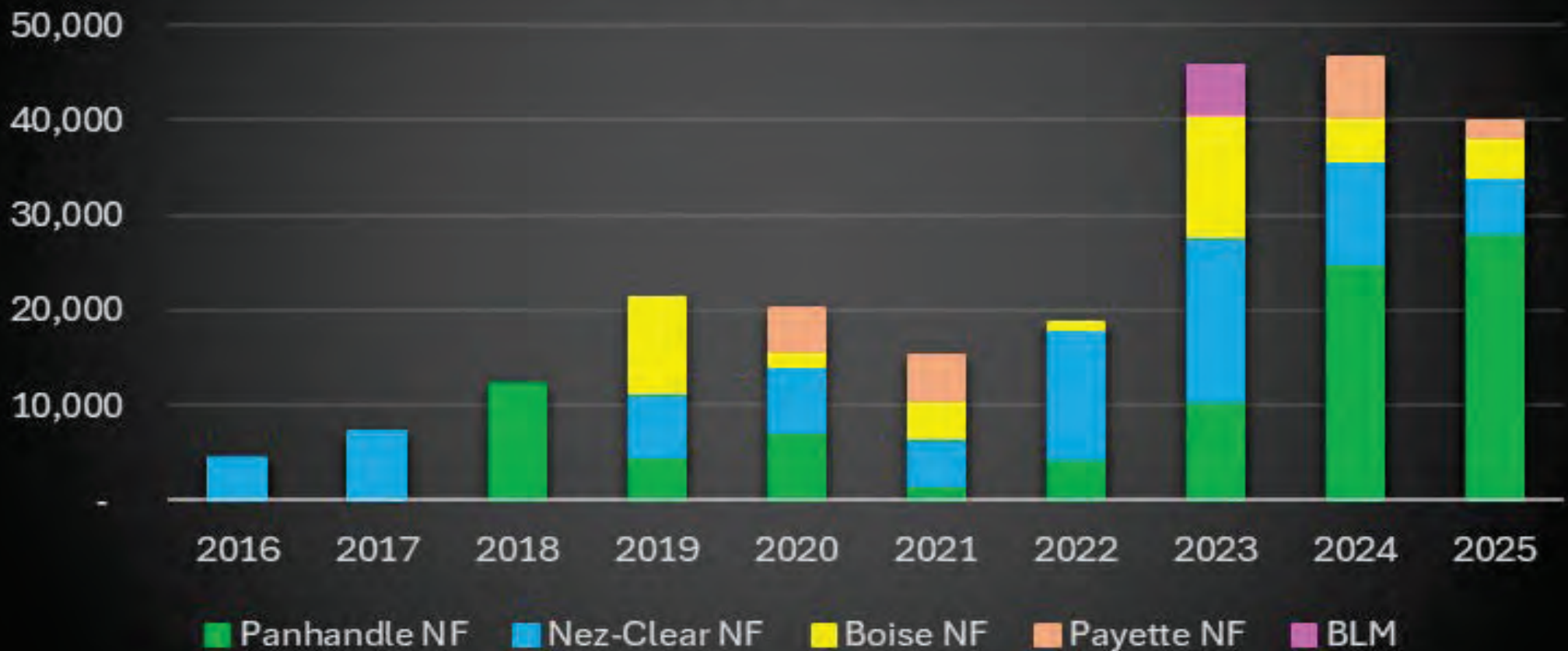
16,570 Acres

209 M BF sold

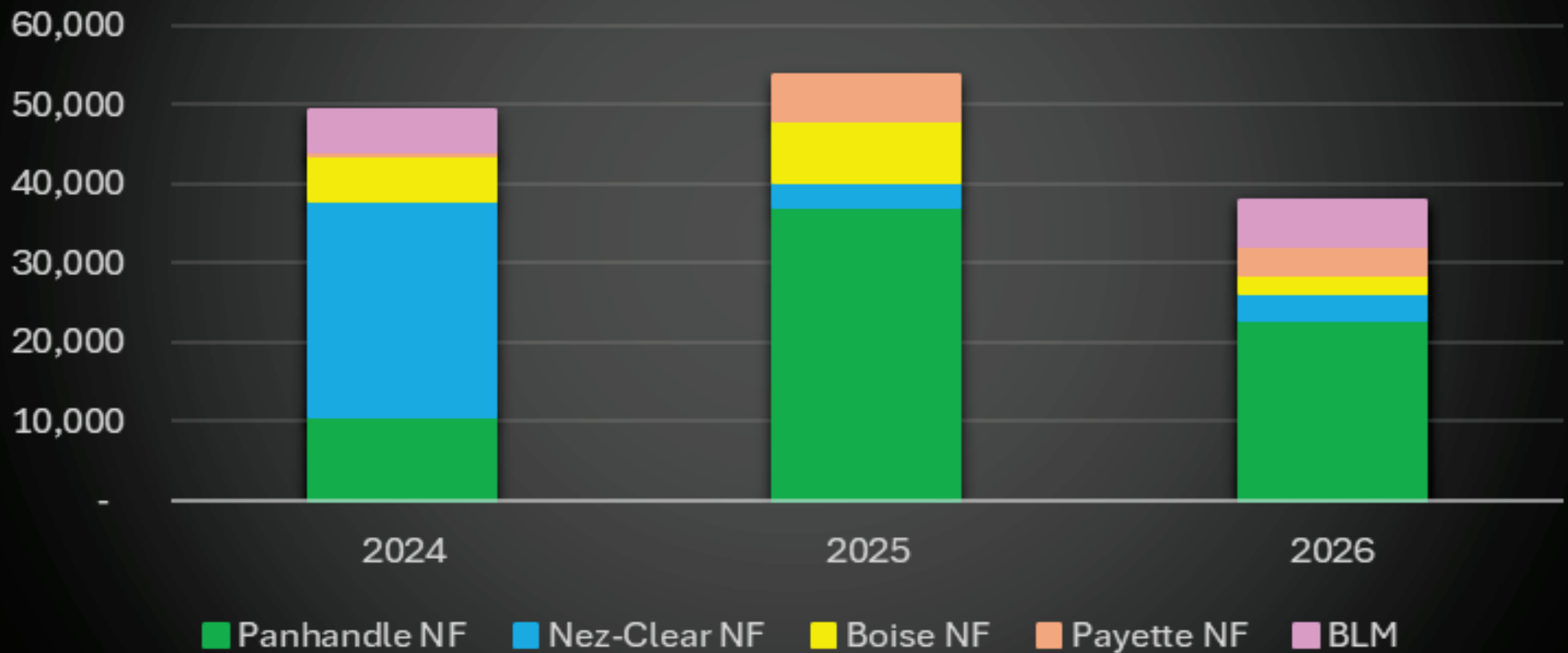
\$21 M in receipts

**20%+ Annual USFS
vol in sold in ID**

Annual GNA Timber Vol Sold (MBF/CY)



Annual GNA Timber Vol Sold (MBF/SFY)





16 active timber sale operations

- 3,020 truckloads of logs delivered

11 GNA timber sales awarded (CY2024)

- 47 total MMBF over 3,488 total harvest acres
- \$5.6 million total net sale value

IDL GNA 2024 Highlights—*Timber Sales*

IDL GNA FY2025 Highlights

14 GNA Timber Sales Awarded

- 53.7 total MMBF, 4,510 total harvest acres
- \$9.4 million total net sale value

40 GNA Restoration Contracts Awarded (\$2.4M value)

- 13 road improvement projects
- 2,500 ac hazardous fuels treatments
- 750 ac reforestation
- 4 Project Planning/NEPA contracts

IDL-Sawtooth NF GNA Agreement Executed Sep 2025



⏪ PRESIDENTIAL ACTIONS

Immediate Expansion of American Timber Production

The White House

March 1, 2025



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Gov. Little ramps up federal forest management with new executive order

Tuesday April 22, 2025

Coeur d'Alene, Idaho – Governor Brad Little issued a new executive order today, the “Make Forests Healthy Again Act,” directing the Idaho Department of Lands (IDL) to expand its partnership with the U.S. Forest Service to increase management activities and reduce fire risk in federally managed national forests in Idaho.

*“For too long, millions of acres of national forests in Idaho have remained totally untouched, creating a tinderbox of fuel that threatens communities, air quality, and the environment. The State of Idaho has led the country in standing up programs to help our federal partners increase the pace and scale of active management on federal ground. The work we’ve done is making a difference. However, under the previous administration, we were limited in the extent we could help. That has changed under the Trump administration,” **Governor Little** said.*

The Governor’s action complements a [March 1 executive order](#) from President Donald Trump called the “Freeing our Forests Act” and [an order by USDA Secretary Brooke Rollins](#) this month, both aimed at revitalizing rural communities, improving forest health, and minimizing wildfire risk through increased management of federal forests.

Trump administration officials and Idaho’s agriculture community expressed support for Governor Little’s executive order.

*“I commend Governor Little for acting quickly to fix our national forest emergency. Americans rely on Idaho’s productive and abundant forests, and this executive order will go a long way towards strengthening the timber industry in the state and minimizing harmful pests, disease, and risk of fire,” **U.S. Secretary of Agriculture Brooke L. Rollins** said.*

*“The Forest Service and Idaho share a proud history of collaboration to address critical challenges in maintaining healthy national forests. Idaho leads the way in leveraging the Good Neighbor Authority and advancing our Shared Stewardship efforts to reduce wildfire risk, create healthy and resilient forests, and generate jobs in rural communities,” **Deputy Under Secretary of Natural Resources and Environment Kristin Slesner** said.*







Mercy Fire

August 2023—Bonner County

