### Regular Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/11/19</td>
<td>Notice of Meeting posted in prominent place in IDL’s Boise Headquarters office five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>3/11/19</td>
<td>Notice of Meeting posted in prominent place in IDL’s Coeur d’Alene Headquarters office five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>3/11/19</td>
<td>Notice of Meeting posted in prominent place at meeting location five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>3/11/19</td>
<td>Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>3/11/19</td>
<td>Notice of Meeting posted electronically on IDL’s public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>3/14/19</td>
<td>Agenda posted in prominent place in IDL’s Boise Headquarters office forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>3/14/19</td>
<td>Agenda posted in prominent place in IDL’s Coeur d’Alene Headquarters office forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>3/14/19</td>
<td>Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>3/14/19</td>
<td>Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>3/14/19</td>
<td>Agenda posted electronically on IDL’s public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>12/19/18</td>
<td>Annual meeting schedule posted – Director’s Office, Boise and Staff Office, CDA and IDL’s public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a></td>
</tr>
</tbody>
</table>

### Special Meetings

Notice of Meeting and Agenda posted in a prominent place in IDL’s Boise Headquarters office twenty-four (24) hours before meeting.

Notice of Meeting and Agenda posted in a prominent place in IDL’s Coeur d’Alene Headquarters office twenty-four (24) hours before meeting.

Notice of Meeting and Agenda posted at meeting location twenty-four (24) hours before meeting.

Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.

Notice of Meeting and Agenda posted electronically on IDL’s public website [www.idl.idaho.gov](http://www.idl.idaho.gov) twenty-four (24) hours before meeting.

Emergency situation exists – no advance Notice of Meeting or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

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

Notice of Meeting and Agenda posted in IDL’s Boise Headquarters office twenty-four (24) hours before meeting.

Notice of Meeting and Agenda posted in IDL’s Coeur d’Alene Headquarters office twenty-four (24) hours before meeting.

Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.

Notice of Meeting and Agenda posted electronically on IDL’s public website [www.idl.idaho.gov](http://www.idl.idaho.gov) twenty-four (24) hours before meeting.

Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.

---

**Renée Miller**  
Recording Secretary  
March 14, 2019  
**Date**
Idaho State Board of Land Commissioners
Brad Little, Governor and President of the Board
Laverence E. Denney, Secretary of State
Lawrence G. Wasden, Attorney General
Brandon D Woolf, State Controller
Sherri Ybarra, Superintendent of Public Instruction
Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING
MARCH 2019

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, March 19, 2019 in the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise. The meeting is scheduled to begin at 9:00 AM (Mountain).

Please note meeting location.

Directions: Enter City Hall from Capitol Blvd.; take the Capitol Boulevard elevators to the 3rd floor; Council Chambers are directly across from the elevators.

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

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0242
1. Department Report
   
   Endowment Transactions
   A. Timber Sales – February 2019
   B. Leases and Permits – February 2019

   Status Updates
   C. Legislative Summary
   D. VAFO Payette Lake

2. Endowment Fund Investment Board Report – Presented by Chris Anton, EFIB Manager of Investments
   
   A. Manager's Report
   B. Investment Report

   Consent—Action Item(s)

3. Timber License Plate Fee Recommendation – Staffed by Betty Munis, Director, Idaho Forest Products Commission

4. Forest Practices Act Annual Assessment Increase – Staffed by Craig Foss, Division Administrator-Forestry and Fire

5. Approval of Minutes – February 19, 2019 Regular Meeting (Boise)

6. Approval of Minutes – March 4, 2019 Special Meeting (Boise)
Regular—Action Item(s)

7. **Negotiated Rulemaking IDAPA 20.03.02, Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities** – *Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance*

8. **Approval to Auction Watertower Lots** – *Presented by Sid Anderson, Program Manager-Real Estate*

Executive Session

A. Idaho Code § 74-206(1)(f) - to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement. [Topic Lease M500031]

Regular—Action Item(s)

9. **Lease M500031**
74-206. EXECUTIVE SESSIONS -- WHEN AUTHORIZED.[EFFECTIVE UNTIL JULY 1, 2020] (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 which is 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 67-2345A.[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 act 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.

History:
[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125.]
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Timber Sales

During February 2019, the Idaho Department of Lands sold two endowment timber sales at auction. The endowment net sale value represents a 4% up bid over the advertised value. The Department also sold one Good Neighbor Authority (GNA) timber sale (TS024337) on the Boise National Forest at auction for the appraised sale value.

<table>
<thead>
<tr>
<th>TIMBER SALE AUCTIONS</th>
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<tbody>
<tr>
<td>SALE NUMBER</td>
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<tr>
<td>TS204338</td>
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<tr>
<td>TS204339</td>
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<td></td>
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<td>TS024337*</td>
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* GNA

<table>
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<tr>
<th>PROPOSED TIMBER SALES FOR AUCTION</th>
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<tr>
<td>North Operations</td>
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<tr>
<td>Sale Name</td>
</tr>
<tr>
<td>West Rim OSR</td>
</tr>
<tr>
<td>Sheep to Market</td>
</tr>
<tr>
<td>South Operations</td>
</tr>
<tr>
<td>Snake Face</td>
</tr>
<tr>
<td>East Calhoun</td>
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<tr>
<td>Backyard Seed</td>
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<td>South Mountain Ton</td>
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<table>
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<tr>
<th>VOLUME UNDER CONTRACT as of February 28, 2019</th>
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<tr>
<td>Total</td>
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<tr>
<td>Active Contracts</td>
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<tr>
<td>Estimated residual volume (MBF)</td>
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<tr>
<td>Estimated residual length (LF)</td>
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<td>Estimated residual weight (Ton)</td>
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<tr>
<td>Total Residual MBF Equivalent</td>
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<tr>
<td>Estimated residual value</td>
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<tr>
<td>Residual Unit Value ($/MBF)</td>
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TIMBER HARVEST RECEIPTS

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<tr>
<th></th>
<th>February</th>
<th>FY to date</th>
<th>March Projected</th>
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<tr>
<td></td>
<td>Stumpage</td>
<td>Interest</td>
<td>Harvest Receipts</td>
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<tr>
<td>Public School</td>
<td>$2,756,180.03</td>
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<td>Pooled</td>
<td>$3,309,172.90</td>
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<td>General Fund</td>
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<td>TOTALS</td>
<td>$6,065,353.08</td>
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STATUS OF FY 2019 TIMBER SALE PROGRAM

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<tr>
<th>MBF Sawlog</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
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<tbody>
<tr>
<td>Sold as of February 28, 2019</td>
<td>71,340</td>
<td>43,649</td>
<td>114,988</td>
<td>5,191</td>
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<td>Currently Advertised</td>
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<td>11,790</td>
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<td>16,434</td>
<td>33,645</td>
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<td>Did Not Sell</td>
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<td>TOTALS</td>
<td>109,565</td>
<td>67,818</td>
<td>177,383</td>
<td>5,191</td>
<td>10,947</td>
<td>16,138</td>
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</table>

| FY-2019 Sales Plan | 256,000 | 20,000 |
| Percent to Date    | 69%     | 81%    |

Cumulative Harvest Receipts

Current FYTD is 121% of 3 Year Average
IDL Stumpage Price Line is a 6 month rolling average of the net sale price.
Leases and Permits

Three Land Use Permits issued in February were to 2019 Voluntary Auction for Ownership (VAFO) applicants. IDL offers a one (1) year Land Use Permit to VAFO applicants when their cottage site lease expires on December 31, prior to the following year’s VAFO auction. The Land Use Permit requires payment at the normal lease rate. If the cottage site is sold during the auction, the Land Use Permit is terminated, and the Permittee receives a refund for the pro-rated rent based on the closing date of the transaction. If the cottage site is not sold during the auction, IDL then offers an application for a new lease through year 2024, which is advertised for 30 days and subject to conflict application.

### FISCAL YEAR 2019 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through February 28, 2019

<table>
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<tr>
<th>ACTIVITY</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
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<td>Non-Commercial Recreation</td>
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### Real Estate

#### Fiscal Year 2019 – Real Estate Transactions by Month – through February 28, 2019

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<thead>
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<th>ACTIVITY</th>
<th>JUL</th>
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<th>SEP</th>
<th>OCT</th>
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<th>DEC</th>
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<th>MAR</th>
<th>APR</th>
<th>MAY</th>
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<td>-</td>
<td>-</td>
<td>59</td>
</tr>
<tr>
<td>Deeds Granted - Surplus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Easements Acquired</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Easements Granted</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
</tbody>
</table>

#### Lands and Waterways Division

2019 FYTD Gross Revenue through February 28, 2019

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>$343,302</td>
</tr>
<tr>
<td>Communication Sites</td>
<td>$981,946</td>
</tr>
<tr>
<td>Grazing</td>
<td>$335,826</td>
</tr>
<tr>
<td>Residential</td>
<td>$1,191,531</td>
</tr>
<tr>
<td>Alternative Energy</td>
<td>$18,448</td>
</tr>
<tr>
<td>Industrial</td>
<td>$89,334</td>
</tr>
<tr>
<td>Military</td>
<td>$114,589</td>
</tr>
<tr>
<td>Office/Retail</td>
<td>$835,552</td>
</tr>
<tr>
<td>Recreation</td>
<td>$375,354</td>
</tr>
<tr>
<td>Conservation</td>
<td>$182,307</td>
</tr>
<tr>
<td>Geothermal</td>
<td>$5,120</td>
</tr>
<tr>
<td>Minerals</td>
<td>$88,338</td>
</tr>
<tr>
<td>Non-Commercial Recreation</td>
<td>$97,561</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>$15,262</td>
</tr>
<tr>
<td>RE/Buyer’s Premium</td>
<td>$335,423</td>
</tr>
<tr>
<td><strong>Total FYTD Revenue</strong></td>
<td><strong>$5,009,895</strong></td>
</tr>
</tbody>
</table>
Cumulative L&W Program Receipts - Earnings Reserve
ALL PROGRAMS
FY16 - FYTD19

Cumulative L&W Program Receipts - Earnings Reserve
NO COMMERCIAL RETAIL OR RESIDENTIAL REVENUE* INCLUDED
FY16 - FYTD19

Cumulative L&W Program Receipts - Earnings Reserve
ONLY COMMERCIAL RETAIL AND RESIDENTIAL REVENUE* INCLUDED
FY16 - FYTD19

*Revenue includes Buyer’s Premium receipts.

*Revenue does NOT include Buyer’s Premium receipts.

State Board of Land Commissioners
Leases and Permits
Regular Meeting - March 19, 2019
Page 3
Cumulative L&W Permanent Fund Revenue/Royalties
(Does NOT include Land Bank Revenue)
FY16 - FYTD19

NOTE: Most L&W Permanent Fund Revenue is from Mineral Royalties (~98%). Roughly 50% of this royalty revenue is from Sand & Gravel, 35% from Phosphates, and the remaining 15% is from other minerals such as Quartzite, Decorative Stone, etc.
Status of legislation monitored by the Department of Lands

**IDL Pending Rules**

**IDAPA 20.03.01–Dredge and Placer Mining Operations in Idaho.** Allows submission of documents electronically; adds new abbreviations; and references water quality standards.

**Status:** House Resources and Conservation Committee - Approved; Senate Resources and Environment Committee - Approved.

**IDAPA 20.03.02–Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities.** Deletes outdated bonding requirements; increases maximum reclamation bond amount to $15,000 per acre to match statute; and requires operators within the 100-year floodplain to describe measures to be implemented to keep surface waters from entering mining operations.

**Status:** House Resources and Conservation Committee - Approved; Senate Resources and Environment Committee - Approved.

**IDAPA 20.03.04–Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho.** Allows submission of documents electronically; allows existing permitted boat garages to be maintained or replaced at their current size and height; requires float homes to comply with the 2003 Uniform Plumbing Code and the 2008 National Electrical Code; requires that a notice of application for non-navigational encroachments be published in the local newspaper; and clarifies that the Department shall provide notice to anyone who may be in violation of the rules.

**Status:** House Resources and Conservation Committee - Approved; Senate Resources and Environment Committee - Approved.

**IDAPA 20.04.01–Rules Pertaining to Forest Fire Protection.** Implements new fire protection standards for forest operation activities on forest lands to include on-site water supply, fire watch service, and operation area fire prevention practices.

**Status:** House Resources and Conservation Committee - Approved; Senate Resources and Environment Committee - Approved.
**IDL Legislation**

**Budget**

**H0233—Appropriations-Department of Lands** — Appropriation bill for fiscal year 2020, appropriating a total of $60,255,200 and caps the number of authorized full-time positions at 323.82.

**Status:** House passed 61-6-3. Senate passed 35-0-0.

**S1142—Appropriations-Endowment Fund Investment Board** — Appropriation bill for fiscal year 2020 appropriating a total of $745,500 and caps the number of authorized full-time equivalent positions at 4.00.

**Status:** Senate passed 35-0-0. House Third Reading.

**Forest Practices Act**

**H0044—Forest Practices Act Administration** — Amends existing law to increase the Forest Practices assessment cap from $0.10 an acre per year to $0.20 an acre per year. The assessment rate is set by the Land Board.

**Status:** LAW

**Other Legislation Being Monitored**

**Administrative Rules**

**H0073—Division of Financial Management** — Amends existing law to establish the Office of the Administrative Rules Coordinator in the Division of Financial Management.

**Status:** LAW

**H0100—Administrative Rules** — Amends existing law to require that all pending administrative rules shall be affirmatively approved by both the House of Representatives and the Senate, via a concurrent resolution.

**Status:** House passed 53-16-1. Senate State Affairs Committee.

**H0175—Idaho Administrative Procedures Act** — Repeals, amends, and adds to existing law to revise procedures for contested cases and hearing officers.

**Status:** House Judiciary, Rules and Administration Committee.

**Off-Highway Vehicles**

**H0024—Recreational Activities** — Amends existing law to remove weight limits on UTVs.

**Status:** LAW
H0074–Recreational Activities – Amends and adds to existing law to clarify that any person may obtain a certificate of number for a snowmobile or off-highway vehicle so long as the person has lawful possession of the machine; to provide that an accident occurring off-road and resulting only in property damage to the user's own property need not be reported to law enforcement; to impose a $22.50 fee for off-highway vehicles used for commercial (rental) purposes; to allow use of motorbike funds to purchase public access recreation rights on private lands; and to allow the sale of a 2-year sticker, or certificate of number, for snowmobiles and off-highway vehicles.

**Status:** House passed 51-16-3. Senate failed 13-22-0.

H0075–Recreational Activities – Amends existing law to impose a $12.00 sticker fee upon non-residents for OHV off-road travel in Idaho.

**Status:** LAW

H0090–Recreational Activities – Amends existing law to revise the definitions of "ATV" and "UTV."

**Status:** LAW

**Lands**

H0092–Forest Land Annexation – Amends existing law to prevent land actively devoted to forestry from being annexed without the express written permission of the owner.

**Status:** House Local Government Committee.


**Status:** House Transportation and Defense Committee.

H0162–Federal Lands – Adds to existing law to provide for the Idaho Council on Federal Lands.

**Status:** House passed 55-15-0. Senate 14th Order for amendment.

HJM005–Federal Lands, Selling – Stating findings of the Legislature and urging Congress to enact federal legislation to require that when private lands are exchanged, purchased, or transferred to the federal government that other federal lands within the county must be sold.

**Status:** House adopted 51-18-1. Senate Resources and Environment Committee hearing 3/11/19.

S1089–Fish and Game – Amends existing law to add a civil remedy to address violations of intentional access obstruction (i.e. private gates on public roads), to ensure public access while addressing law enforcement constraints.

**Status:** Senate Resources and Environment Committee.
Mining

H0141–Mines – Amends existing law to more accurately reflect current industry and regulatory practices, including surface impacts of underground mines and actual cost estimation of reclamation and related environmental activities. It includes updating financial assurance methods, requiring financial assurance for reclamation and long-term post closure management activities, requiring reclamation plan and financial assurance reviews, and ensuring that there will be no duplication in financial assurances between government agencies.

Status: House passed 59-11-0. Senate Second Reading.

Fire

S1178–Exploding Targets – Amends existing law to provide restrictions regarding the use of exploding targets.

Status: Senate 14th Order for amendment.

Miscellaneous

H0142–Bear Lake – Adds to existing law to provide for lands and water at Bear Lake. This would be a new section in Idaho Code 67-4313. It recognizes the Bear River Compact and the right that Idaho has to use and develop additional water from the Bear River drainage.

Status: House Resources and Conservation Committee.

H0207–Wetlands – This bill promotes the availability of all types of compensatory mitigation for project impacts to wetlands, consistent with the federal 2008 Mitigation Rule.

Status: House passed 70-0-0. Senate Second Reading.

HCR012–Natural Resource Issues–Study – Stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to undertake and complete a study of natural resource issues. This legislation would authorize the Legislative Council to continue an interim committee to undertake studies of natural resource issues, particularly the water resources of the state.


S1045–Correctional Industries – Amends existing law to provide for inmate trainee participation in Idaho Correctional Industries Training Programs; to provide for stipends; and to provide for contracts for agricultural training programs for inmate trainees.

Status: Senate passed 35-0-0. House Judiciary, Rules and Administration Committee.
## 2019 VAFO Payette Lake Appraised Values

<table>
<thead>
<tr>
<th>CS Address</th>
<th>Subdivision</th>
<th>Lot</th>
<th>Block</th>
<th>Acreage</th>
<th>Lake Front / Non-Lake Front</th>
<th>2019 Overall Value</th>
<th>2019 Personal Property Value</th>
<th>2019 Land Value</th>
<th>2012 Land Value</th>
<th>Land Total Percent Change</th>
<th>Land Avg. Percent Change Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2168 Payette Drive</td>
<td>SW Payette Cottage Sites</td>
<td>1</td>
<td>15</td>
<td>0.49</td>
<td>Lake-Front</td>
<td>$1,645,000</td>
<td>$402,000</td>
<td>$1,243,000</td>
<td>$1,220,000</td>
<td>2%</td>
<td>0%</td>
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<tr>
<td>2113 Payette Drive</td>
<td>SW Payette Cottage Sites</td>
<td>1</td>
<td>17</td>
<td>0.30</td>
<td>Non-Lake Front</td>
<td>$206,000</td>
<td>$123,000</td>
<td>$83,000</td>
<td>$47,000</td>
<td>77%</td>
<td>11%</td>
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<tr>
<td>2134 Warren Wagon Road</td>
<td>SW Payette Cottage Sites</td>
<td>2</td>
<td>16</td>
<td>0.34</td>
<td>Non-Lake Front</td>
<td>$283,000</td>
<td>$200,000</td>
<td>$83,000</td>
<td>$44,000</td>
<td>89%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td>1.13</td>
<td></td>
<td><strong>$2,134,000</strong></td>
<td><strong>$725,000</strong></td>
<td><strong>$1,409,000</strong></td>
<td><strong>$1,311,000</strong></td>
<td><strong>7%</strong></td>
<td><strong>1%</strong></td>
</tr>
</tbody>
</table>
Monthly Report to the Board of Land Commissioners

Investment performance through February 28, 2019

Month: 2.3% Fiscal year: 2.2%

The positive momentum we experienced in the capital markets in January continued into February as investors welcomed the Fed’s decision to delay further interest rate increases and gained confidence in a trade deal with China. Global economic growth is slowing, but there is optimism it will reaccelerate in the second half of the year due to stimulus efforts by central banks around the world.

Status of endowment fund reserves
Distributions for FY2019 and FY2020 are well secured. Estimated reserves as of January 31, 2019 were 5.8 years for public schools and 6.3 – 8.0 years for the other endowments based on anticipated FY2020 distributions.

Significant actions of the Endowment Fund Investment Board
The EFiB Board agreed to conduct a mid-cap value equity manager search at its board meeting on February 13, 2019. Interviews are anticipated in late March.

Compliance/legal issues, areas of concern
Material deviations from Investment Policy or compliance guidelines for investment managers: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events
None.
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INVESTMENT REPORT

Preliminary Report (gross of fees)  All Pooled Investors (Land Grant, DEQ, Fish & Game, Parks)  February 28, 2019

<table>
<thead>
<tr>
<th></th>
<th>Month</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Value of Fund</td>
<td>$ 2,284,098,649</td>
<td>$ 2,280,690,637</td>
</tr>
<tr>
<td>Distributions to Beneficiaries</td>
<td>(6,517,200)</td>
<td>(52,137,600)</td>
</tr>
<tr>
<td>Land Revenue net of IDL Expenses</td>
<td>9,244,049</td>
<td>40,108,942</td>
</tr>
<tr>
<td>Change in Market Value net of Investment Mgt. Expenses</td>
<td>45,672,751</td>
<td>63,836,270</td>
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<tr>
<td>Current Value of Fund</td>
<td>$ 2,332,498,249</td>
<td>$ 2,332,498,249</td>
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<table>
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<tr>
<th>Gross Returns</th>
<th>Current Month</th>
<th>Calendar Y-T-D</th>
<th>Fiscal Y-T-D</th>
<th>One Year</th>
<th>Three Year</th>
<th>Five Year</th>
<th>Ten Year</th>
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<tbody>
<tr>
<td>Total Fund</td>
<td>2.3%</td>
<td>8.9%</td>
<td>2.2%</td>
<td>3.0%</td>
<td>10.8%</td>
<td>6.2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Total Fund Benchmark*</td>
<td>1.9%</td>
<td>7.7%</td>
<td>2.1%</td>
<td>2.3%</td>
<td>10.3%</td>
<td>6.2%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Total Fixed</td>
<td>-0.1%</td>
<td>1.3%</td>
<td>2.5%</td>
<td>3.2%</td>
<td>1.8%</td>
<td>2.3%</td>
<td>3.7%</td>
</tr>
<tr>
<td>85% BB Agg. 15% TIPS</td>
<td>-0.1%</td>
<td>1.1%</td>
<td>2.3%</td>
<td>3.0%</td>
<td>1.7%</td>
<td>2.2%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Total Equity</td>
<td>3.6%</td>
<td>13.0%</td>
<td>1.7%</td>
<td>2.2%</td>
<td>14.5%</td>
<td>7.6%</td>
<td>15.0%</td>
</tr>
<tr>
<td>38% R3 19% Ax 9% AC</td>
<td>3.0%</td>
<td>11.4%</td>
<td>1.3%</td>
<td>0.9%</td>
<td>13.9%</td>
<td>7.7%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>4.1%</td>
<td>14.5%</td>
<td>3.1%</td>
<td>5.3%</td>
<td>16.6%</td>
<td>9.7%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Russell 3000 (R3)</td>
<td>3.5%</td>
<td>12.4%</td>
<td>3.2%</td>
<td>5.1%</td>
<td>15.5%</td>
<td>10.2%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>4.1%</td>
<td>12.6%</td>
<td>2.0%</td>
<td>0.5%</td>
<td>12.0%</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>MSCI ACWI (AC)</td>
<td>2.7%</td>
<td>10.8%</td>
<td>0.8%</td>
<td>-0.8%</td>
<td>12.9%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>Int'l. Equity</td>
<td>2.5%</td>
<td>10.0%</td>
<td>-1.3%</td>
<td>-3.0%</td>
<td>11.0%</td>
<td>3.6%</td>
<td>9.0%</td>
</tr>
<tr>
<td>MSCI ACWI ex-US (Ax)</td>
<td>2.0%</td>
<td>9.7%</td>
<td>-2.2%</td>
<td>-6.5%</td>
<td>10.7%</td>
<td>2.5%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>8.4%</td>
<td>7.7%</td>
<td>0.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Mkt Value

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Domestic Equity</th>
<th>Large Cap</th>
<th>Mid Cap</th>
<th>Small Cap</th>
<th>Global Equity</th>
<th>Int'l Equity</th>
<th>Fixed Income</th>
<th>Real Estate</th>
<th>Cash</th>
<th>Total Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 917.7</td>
<td>39.3%</td>
<td>26.8%</td>
<td>8.0%</td>
<td>9.3%</td>
<td>19.1%</td>
<td>23.4%</td>
<td>8.4%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Fiscal YTD Returns by Asset Class

Endowment Fund Staff Comments:
The fund was up 2.3% for the month, 0.4% over the benchmark. The Russell 3000 index was up 3.5%, Russell Midcap up 4.3% and Russell 2000 (small cap) up 5.2%. International equities (MSCI ACWI ex-US) were up 2.0%. Growth outperformed Value, while Domestic equity outperformed International equity. Bonds, as measured by the BBC Aggregate index, were down 0.1% and TIPS were down 0.1%. 7 of 11 active equity managers beat their benchmark this month. On a FYTD basis, the fund is up 2.2%, 0.1% over benchmark, and 7 of 11 active managers beat their benchmark.
**Fiscal YTD and 3-Yr Ave. Annualized**

- **NT S&P 500 Index - U.S Large Cap. Core Equity**
  - YTD: 0.0%
  - 3-Yr Ave.: 0.0%

- **Sands Capital - U.S. Large Cap. Growth Equity**
  - YTD: 3.0%
  - 3-Yr Ave.: 6.1%

- **Boston Partners - U.S. Large Cap. Value Equity**
  - YTD: -1.3%
  - 3-Yr Ave.: 6.1%

- **LSV Asset Mgt. - U.S. Large Cap. Value Equity**
  - YTD: -1.3%
  - 3-Yr Ave.: 6.1%

- **TimesSquare - U.S. Mid. Cap. Growth Equity**
  - YTD: 2.5%
  - 3-Yr Ave.: 2.5%

- **Systematic Financial - U.S. Mid. Cap. Value Equity**
  - YTD: -2.7%
  - 3-Yr Ave.: 2.5%

- **Eagle Asset Mgt. - U.S. Small Cap. Growth Equity**
  - YTD: 5.8%
  - 3-Yr Ave.: 5.8%

- **Barrow Hanley - U.S. Small Cap. Value Equity**
  - YTD: 5.6%
  - 3-Yr Ave.: 5.6%

- **Wellington Global Opp. - Global Equity**
  - YTD: 6.9%
  - 3-Yr Ave.: 6.9%

- **Fiera Capital* - Global Equity (12/17)**
  - YTD: 6.9%
  - 3-Yr Ave.: 6.9%

- **WCM Asset Mgt. - International Equity**
  - YTD: -0.7%
  - 3-Yr Ave.: 1.5%

- **Schroders QEP* - International Equity (9/17)**
  - YTD: -1.5%
  - 3-Yr Ave.: 2.8%

- **SSGA EAFE Index* - Intl Large Cap. Equity**
  - YTD: -3.1%
  - 3-Yr Ave.: 0.7%

- **DoubleLine Core Plus*^**
  - YTD: -0.2%
  - 3-Yr Ave.: 0.2%

- **Western Asset Core Full*^**
  - YTD: 3.9%
  - 3-Yr Ave.: 1.3%

- **UBS Realty Investors* ^ Real Estate - Income**
  - YTD: 3.7%
  - 3-Yr Ave.: 2.2%

- **Deutsche Asset Management* ^ Real Estate - Core**
  - YTD: -0.2%
  - 3-Yr Ave.: 0.2%

- **State Street Global Advisors - Fixed Income & TIPS**
  - YTD: 2.5%
  - 3-Yr Ave.: 0.1%

---

*ITD return used when manager has less than 3 years. ^ Most recent valuation.
STATE BOARD OF LAND COMMISSIONERS  
March 19, 2019  
Consent Agenda

Subject  
Timber License Plate Fee Recommendations

Background  
Idaho's timber license plate is established in Idaho Code § 49-417A, and has been available since 1997. Twenty-five dollars of each initial fee and fifteen dollars of each renewal fee are deposited in the Department of Lands fund for reforestation activities or for education. Educational efforts must help build public understanding of reforestation or the management and conservation of forest resources on public and private lands in Idaho. Such funds are to be expended as agreed by the State Board of Land Commissioners upon recommendations developed jointly by the Idaho Department of Lands (IDL) and the Idaho Forest Products Commission (IFPC).

Discussion  
In calendar year 2018, a total of 2,638 timber plates were sold, transferred or renewed. As of March 5, 2019, a total of $41,055 unobligated funds are in this account. The Department and Idaho Forest Products Commission have jointly agreed on a plan to expend $50,000 on educational efforts for calendar year 2019 (Attachment 1). Fees from new and renewal license plates continue to accrue monthly and the Department anticipates $50,000 will be in place by the time those funds are needed. Funds will only be withdrawn if available.

Recommendation  
Direct the Department to proceed with the recommended educational projects developed jointly with the Idaho Forest Products Commission.

Board Action

Attachments  
1. IDL/IFPC Recommendations
TO: State Board of Land Commissioners

FROM: Betty J. Munis - Director, Idaho Forest Products Commission
      Dustin Miller – Director, Idaho Department of Lands

RE: Timber License Plate Fee Recommendations

Idaho’s timber license plate has been available since 1997. In the year 2018, a total of 2,638 timber plates were sold, transferred or renewed. Twenty-five dollars of each initial fee and fifteen dollars of each renewal fee are available for educational efforts or reforestation activities. As of March 5, 2019 there was $41,055 of unobligated funds in this account.

The following list of educational projects is recommended by the Idaho Forest Products Commission and the Idaho Department of Lands to be supported by Timber License Plate fees as authorized in Section 49-417A, Idaho Code:

1. Arbor Day Billboard Campaign
   
   Background: Arbor Day is a special holiday set aside to appreciate and plant trees. This project would provide an educational statewide billboard campaign in conjunction with the Arbor Day celebration. The billboards would target the general public with a positive message about Idaho forests. This campaign would be part of a statewide Arbor Day 2019 project.
   
   Plate Fees: $ 17,000
   Total Project Estimated Costs: $ 27,000

2. Seedlings
   
   Background: This project would provide 16,000 seedlings for the Arbor Day 2019 celebration and educational expos. The seedlings are grown at the University of Idaho and packaged with information about reforestation and an educational brochure with information about Arbor Day and Idaho’s forests will also accompany seedlings. The seedlings would be available throughout the state at various points of distribution.
   
   Amount Requested from Timber Plate Fees: $ 4,500
   Total Project Estimated Costs: $ 13,750

(Over)
3. Arbor Day 2019
Background: Each year the last Friday in April is designed as Arbor Day, a special holiday celebrating trees. The Arbor Day 2019 project includes promotional materials, brochures and posters with information about Idaho’s forests and reforestation, a seedling give-away, television and radio public service announcements, social media postings, a special Arbor Day t-shirt and event at the statehouse on Arbor Day. There will also be programs for Idaho educators focusing on the many things renewable trees bring to our lives and need for good forest stewardship, management and reforestation.

Amount Requested from Timber Plate Fees: $ 2,000
Total Project Estimated Costs: $ 10,500

4. Arbor Day Photo Contest
Background: In 2011, IFPC began a statewide photo contest providing an opportunity for Idaho students to engage in Arbor Day and consider the role trees as a renewable resource play in their daily lives. The project has been a true success with hundreds of 5th to 12th grade students participating each year. The contest was developed with input from the Idaho Department of Education and asks students to show what they see when they “Look to the Forest” through a photograph and to describe their work in an artist statement. Cash prizes are be awarded to the winners of three age categories. One grand prize is honored at the state Arbor Day Celebration where a tree is planted in their honor. Winning photos are used to promote Arbor Day and forest education in Idaho.

Amount Requested from Timber Plate Fees: $ 500
Total Project Estimated Costs: $ 1,000

5. Arbor Day Tree Planting Effort
Background: Attached

Amount Requested from Timber Plate Fees: $ 2,000
Total Project Estimated Costs: $ 2,000

6. Teachers’ Sustainable Forest Tour
Background: This project brings provides forty-three educators with an exceptional hands-on opportunity to learn about sustainable forest management and the forest products industry during a 4-day forest tour. Its goal is to provide an opportunity for educators to talk directly with the people that grow, manage, harvest and process trees into useful wood products as well as the managers who care for the air, water, soil, fish and wildlife. The 2019 Sustainable Forest Tour is scheduled for June 24-28.

Amount Requested from Timber Plate Fees: $ 1,500
Total Project Estimated Costs: $ 45,000

(Over)
7. Forest Tour

**Background:** This project provides an on-the-ground educational opportunity for Idaho leaders to learn about the forests of Idaho and gain a first-hand understanding of forest management. In the past, *Miracle at Work Forest Tours* have been conducted in central and north Idaho and feature private, state and federal forest managers and resource professionals.

**Amount Requested from Timber Plate Fees:** $2,500

**Total Project Estimated Costs:** $24,000

8. Project Learning Tree

**Background:** Project Learning Tree is a nation-wide, award winning environmental education program. PLT is based on the principles of teaching youths “how to think, not what to think” and preparing students to make wise decisions about resource use and conservation. Since 1994, over 9,600 teachers have participated in PLT workshops with the potential to reach thousands of Idaho students *each* year.

**Amount Requested from Timber Plate Fees:** $20,000

**Total Project Estimated Costs:** $150,000

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**Total License Fee Appropriation Request** $50,000
Memorandum

TO: Dustin T. Miller, Director, IDL  
    Betty Munis, Director, IFPC  

FROM: Ara Andrea, Chief, Forestry Assistance Bureau  

SUBJECT: Arbor Day Funding Request  

DATE: January 7, 2019  

CC: Craig Foss, Forestry & Fire Division Administrator  

I am writing to request $2,000 from the Idaho Timber Special License Plates program to assist Idaho Department of Lands area offices in promoting tree planting on public and private lands in and around Idaho communities. This funding request is for FY 2019, as Timber license plate funds are available.

The Department of Lands will use the $2,000 to encourage IDL area field offices to help communities plan and conduct local Arbor Day celebrations. A similar project conducted in the spring of 2018 received outstanding support from IDL field offices and the communities they assisted. Funds were used to purchase trees, Arbor Day T-shirts, and other educational materials for communities throughout Idaho.

The Arbor Day project provided many opportunities for partnerships between urban and rural forestry interests. IDL foresters worked with local governments, schools, service clubs, businesses, USFS offices, and forest products companies to plan and conduct local celebrations.

Thank you for your consideration of this request. I will be glad to provide additional information as needed, and look forward to your response.
STATE BOARD OF LAND COMMISSIONERS
March 19, 2019
Consent Agenda

Subject
Forest Practices Act Annual Assessment Increase

Authority
Idaho Code § 38-134, Forest Practices Act Administration – Funding. The Idaho Forestry Act authorizes the State Board of Land Commissioners (Land Board) to set the amount of annual assessment private forest landowners pay for administration and enforcement of the Idaho Forest Practices Act (FPA).

Background
Consistent with Idaho Code § 38-1302, the Idaho Department of Lands (Department) administers the FPA and associated rules to ensure the continuous growing and harvesting of forest trees while protecting and maintaining Idaho’s forest soil, water resources, wildlife and aquatic habitat. To administer the FPA, the Department relies on an annual assessment paid by private forest landowners and from ongoing general fund appropriations to cover personnel, operating, and equipment costs.

The last assessment increase was in 2003, when the FPA assessment was raised to the statutory cap of $0.10 per acre per year. While funding has remained flat for over 15 years, expenses have increased substantially during this same period. The dedicated fund where landowner assessments are deposited will be depleted in the next fiscal year. The Department delayed increasing FPA assessment until the economy recovered by reducing staffing levels and spending down the FPA dedicated fund cash balance.

Since 2009, the economic recovery has led to a slow but steady upswing in market conditions and forest harvesting operations on all forestlands inspected under the FPA program. The number of FPA notifications and regulatory activities have doubled since 2009. An increase to the assessment rate is needed to sustain the Department’s administration of the FPA program and to maintain services to all private forest landowners in Idaho.

Discussion
At the September 18, 2018 Land Board meeting, the Department received approval from the Land Board to proceed with legislation revising Idaho Code § 38-134, Forest Practices Act Administration – Funding, to increase the maximum Forest Practices assessment cap from $0.10 an acre per year to $0.20 an acre per year. While the statutory maximum for the assessment is set in Idaho Code, the effective rate is set by the Land Board. The 2019 Idaho
Legislature passed HB 44 which raised the cap to $0.20 per acre per year and Governor Little signed the bill into law on February 26, 2019 (Attachment 1).

The Department is now requesting that the actual annual assessment rate be raised from $0.10 per acre to $0.13 per acre, effective July 1, 2019. The $0.03 per acre assessment increase will generate an additional $150,000 annually from private forest landowners and $30,000 from state endowment forestlands (approximately 1 million acres of endowment forestland) for a total of $180,000 to the FPA dedicated fund. As outlined in statute, and included in the Department’s FY20 budget, a corresponding ongoing increase of $177,000 will come from the state general fund. The combined dedicated fund and earnings reserve increases will slightly more than match the approved general fund increase, which the Department believes aligns with the direction provided in statute, and will sustain administration of the FPA regulatory program for the next 3-5 years.

The Department met with the Idaho Forest Owners Association, which represents family forest landowners, and with industrial forest landowner representatives to discuss the need for this rate increase. These forest landowner groups provided letters of support for both the assessment cap increase and the assessment rate increase (Attachment 2).

**Recommendation**

Approve increasing the Forest Practices annual assessment rate to $0.13 per acre effective July 1, 2019.

**Board Action**

**Attachments**

1. Statement of Purpose and House Bill 44
2. Letters of Support
   - Bennett Lumber Products, Inc.
   - Idaho Forest Owners' Association
   - Riley Stegner and Associates
STATEMENT OF PURPOSE

RS26436

This legislation revises Section 38-134, Idaho Code, Forest Practices Act Administration - Funding to increase the maximum Forest Practices assessment from $0.10 an acre per year to $0.20 an acre per year. This assessment is paid by private forest owners in Idaho to help fund Forest Practices Act (FPA) administration by the Idaho Department of Lands (IDL). While the statutory maximum for the assessment is set in Idaho Code, the effective rate is set by the State Board of Land Commissioners. Funding also comes to IDL from the state General Fund, and since 2014, from the state land endowments to administer and enforce the Idaho FPA on state, private, and federal lands and ensure forest practices in Idaho maintain site productivity and protect water quality.

The FPA assessment threshold and rate were last increased from $0.05 an acre per year to $0.10 an acre per year in 2003. During the interim years and in response to the economic downturn, IDL worked with private forest owners to avoid increasing FPA assessments until the economy recovered. IDL reduced staffing levels and spent down the FPA Dedicated Fund cash balance.

Since 2009, economic recovery has led to an upswing in market conditions and forest harvesting operations on all forestlands inspected under the FPA program. The number of FPA notifications and regulatory activities have increased each year. In addition, rule changes and expansion of the program to state forestlands increased the time and resources needed to conduct FPA inspections and assist landowners with implementation of the shade rule. Operating, personnel, and equipment costs have also risen significantly since the last assessment increase. An increase to the FPA assessment maximum, as well as an increase to the current assessment rate set by the State Board of Land Commissioners, are needed to sustain IDL administration of the FPA regulatory program.

FISCAL NOTE

Private forest owners are currently assessed the maximum allowed FPA assessment of $0.10 an acre per year. If this legislation is approved and the per acre maximum assessment increases to $0.20 an acre per year, IDL will recommend the State Board of Land Commissioners approve a $0.13 an acre per year rate or $0.03 an acre per year increase. This rate increase would generate an additional $150,000 annually from private forest owners. An equivalent $0.03 an acre increase would be contributed for state forestlands providing an additional $30,000 annually to the FPA Dedicated Fund. And as outlined in statute, IDL would submit a corresponding ongoing increase of $177,000 from the state General Fund. Collectively, if approved, these funding level increases are anticipated to be sufficient for IDL to fulfill statutory obligations and administer the Idaho FPA for the next three to five years.

Contact:
Craig Foss
Department of Lands
(208) 666-8640

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).
AN ACT
RELATING TO THE FOREST PRACTICES ACT ADMINISTRATION; AMENDING SECTION 38-134, IDAHO CODE, TO REVISE ANNUAL ASSESSMENT PROVISIONS REGARDING PRIVATE OWNERS OF CERTAIN FOREST LANDS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 38-134, Idaho Code, be, and the same is hereby amended to read as follows:

38-134. FOREST PRACTICES ACT ADMINISTRATION -- FUNDING. The director of the department of lands is charged in section 38-1305, Idaho Code, to administer and enforce the forest practices act on all private forest lands within the state. Funding for this activity shall come from an annual budget request from the general fund and from an annual assessment to be paid by every private owner of forest land in the state. The assessment for private owners of forest lands whose total acres of forest lands are twenty-five (25) acres or fewer shall be equal to the per acre cost multiplied by twenty-five (25). For private owners of forest lands whose total acres of forest lands are twenty-six (26) acres or more, the assessment shall be determined by the state board of land commissioners not to exceed ten twenty cents (120¢) an acre per year. The assessment shall be collected in the same fashion and at the same time as the forest protection assessment described in section 38-111, Idaho Code.
May 2, 2018

David Groeschl
Director, Idaho Department of Lands
300 N 6th Street, Suite 103
Boise, ID 83702

David,

Please accept this letter in support of the Idaho Department of Lands proposal to increase the Idaho Forest Practices Assessment Rate. Bennett Lumber recognizes the importance of funding this program and the budgetary constraints it has and will be working under. With this understanding, Bennett Lumber Products Inc. supports a statute change to Section 38-134 to raise the Forest Practices Assessment Rate Cap to $.20/acre. Bennett Lumber Products Inc. also supports a consequent $.5/acre rate increase bringing the assessment rate to $.15/acre. Your staff did a good job in describing this issue and why a fix is required. We greatly appreciate IDL’s partnership and efforts.

Sincerely,

[Signature]

Tom Biltonen
Resource Manager
Bennett Lumber Products Inc.
State Board of Land Commissioners  
300 N. 6th Street, Suite 103  
Boise, ID  83702

Dear Commissioners:

I am writing today as the president of the Idaho Forest Owners Association (IFOA) Board of Directors to express our support for the proposed Forest Practices Act assessment-rate cap increase and the corresponding rate increase requested by the Idaho Department of Lands. The members of the Idaho Forest Owners Association and all owners of private forest land in Idaho are beneficiaries of the numerous land owner assistance programs offered by the Department of Lands through the Forest Practices and Forest Stewardship programs.

If no increases in Forest Practices funding are approved by this Board and the Legislature, it will be IFOA members and other private forest landowners who will suffer due to decreased landowner assistance needed to complete active management funded by NRCS EQIP or Regional Conservation Partnership Program (RCPP) funds as well as a reduction in the amount of follow-up re-inspections and re-certifications of Forest Stewardship Plans and an increase in the time between re-inspections. As forest landowners, when we compare the quality of service we receive from the Idaho Department of Lands with the situation faced by landowners in neighboring states, we realize how fortunate we are.

If we want to continue to benefit from the services provided by the Idaho Department of Lands, we must be willing to pay for those services. We believe that the proposed assessment rate cap as well as the proposed rate increase is both reasonable and moderate and should be approved by the Board of Land Commissioners to go forward to the Legislature for final consideration. The future of Idaho’s private forest lands and their contribution to the economic strength of Idaho are significantly impacted by the services provided by the Idaho Department of Lands. It is in the best interest of all the citizens of Idaho that we insure that IDL’s Forest Practices activities continue to be funded at a healthy and sustainable level.

Sincerely,

David A. Easley  
President  
Idaho Forest Owners Association  
PO Box 1257  
Coeur d’Alene, ID  83816-1257
September 17, 2018

State Board of Land Commissioners
300 N. 6th Street, Suite 103
Boise, ID 83702

RE: Comments on proposed Forest Practices Act statute change to increase assessment cap increase

Dear State Board of Land Commissioners:

We write in support of the Idaho Department of Lands’ (IDL) plan to bring forward legislation to the 2019 Idaho Legislature seeking an increase of the statutory maximum Forest Practices Act (FPA) landowner assessment to $0.20/acre from the current ceiling of $0.10/acre. If approved by the legislature, we understand IDL will request that the State Board of Land Commissioners (Land Board) increase the FPA assessment to $0.13/acre.

We commend IDL for working with Idaho’s landowners to address increasing costs associated with implementing the FPA through the Forest Practices Act Dedicated Fund (Fund). The Fund is vital to the environmentally sustainable harvest of timber in Idaho, as it provides the resources for inspections and compliance enforcement of forest operations throughout the state.

Our clients, Idaho Forest Group, Stimson Lumber Company, Molpus Timberland Group, Hancock Timber Resource Group, and Bennett Lumber Products Inc., collectively own and operate numerous sawmills in Idaho and over 400,000 acres of commercial forestland. IDL worked in a professional and productive manner with our clients and other Idaho landowners to develop their proposed statutory proposal, and we support the final product.

We appreciate the opportunity to comment and look forward to our continued involvement in the process.

Sincerely,

Jim Riley
Principal
Riley Stegner and Associates

Peter Stegner
Principal
Riley Stegner and Associates
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
February 19, 2019

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, February 19, 2019, in the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise, Idaho. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were present:

- Honorable Secretary of State Lawerence Denney
- Honorable Attorney General Lawrence Wasden (via teleconference)
- Honorable State Controller Brandon Woolf
- Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, Governor Little recognized the presence of all Board members, and noted that Attorney General Wasden was joining via conference call.

Governor Little acknowledged that many audience members were interested in the last item on the agenda. Governor Little explained that Land Board guidelines allow for testimony from both sides on any issue, comments should be consolidated and presented by a single representative when possible, and testimony will be limited to three minutes per party. A sign-in sheet was provided for individuals wanting to provide comment.

1. Department Report

   Endowment Transactions
   A. Timber Sales – December 2018/January 2019
   B. Leases and Permits – December 2018/January 2019

   Discussion: None.

   Status Updates
   C. Land Bank Fund
   D. Legislative Summary
   E. Resource Protection and Assistance Bureau

   Discussion: None.
2. **Endowment Fund Investment Board Report** – *Presented by Chris Anton, EFIB Manager of Investments*

A. Manager's Report; and  
B. Investment Report

**Discussion:** Mr. Anton remarked that the portfolio experienced a significant amount of volatility in the financial market since the December Land Board meeting. Domestic and foreign markets were down in December but rebounded in January. More specifically, the endowment portfolio was down 4.8% in December and up 6.3% in January, which put the fund down slightly at -0.2% for fiscal year-to-date at the end of January. Mr. Anton indicated there have been some gains in the financial markets and through the close of the markets yesterday the portfolio was up 1.6%.

Mr. Anton noted that the December equity decline was the worst since the Great Depression, driven by concerns about trade friction with China, a moderating Chinese economy, Brexit, declining oil prices, and signs that GDP and profit growth in the U.S. were slowing. The Federal Reserve came to the rescue of financial markets when in early January it indicated postponement of future rate increases until there were signs it was really necessary; that was after nine straight interest increases. In addition to the Federal Reserve’s action, the central banks in China and in Europe are both trying to stimulate their economies and there are signs for more positive growth in the second half of 2019. Mr. Anton commented that while markets are likely to experience some continued volatility, the U.S. economy remains very strong, at full employment, low inflation, and very few signs of a recession in 2019.

Mr. Anton reported that reserves were down somewhat at the end of January. Public School was at 5.5 years, below its target of 6 years, and other endowments were at 6 years or just above, slightly below their target of 7 years. Mr. Anton said markets have rebounded since the end of December, and reserves should be at target levels today. The Endowment Fund Investment Board met last week. One major item discussed was Systematic Financial, EFIB’s mid-cap value manager, which recently lost its portfolio manager; the Investment Board agreed to a mid-cap value manager search and will be interviewing managers next month.

**Consent—Action Item(s)**

3. **Proposed Stormwater Treatment Facility on City of McCall’s Central Idaho Historical Museum Property** – *Staffed by Ryan Montoya, Bureau Chief-Real Estate Services, and Nathan Stewart, Public Works Director, City of McCall*

**Recommendation:** Approve the City of McCall and St. Luke’s McCall proposed stormwater treatment facility and multi-modal pathway on City-owned CHIM property.

**Discussion:** Governor Little asked who pays for this project. Mr. Stewart replied that St. Luke’s will be paying for the infrastructure, and the City and St. Luke’s will be paying for maintenance over the life of the project.

4. **Hancock Easement Transaction** – *Staffed by Lawson Tate, Program Manager-Right of Way*

**Recommendation:** Direct the Department to grant easements 1-7 to Hancock.

**Discussion:** Controller Woolf noted that Mr. Tate alluded to the scope of the easements in his presentation and asked that Mr. Tate talk about the recreation aspect—how does that work with the Department both selling and buying easements. Mr. Tate responded that these are not
all-lawful-purpose easements; these are specific to the activities that the Department conducts. If the Department had a lessee that was a recreational lessee, this easement would serve the lessee, but these are not public roads.

5. Approval of Minutes – December 18, 2018 Regular Meeting (Boise)

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

Regular—Action Item(s)

None

Information

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

6. Commercial Recreation Lease M500031, Request for Audience

Discussion: The Land Board heard comments from thirteen individuals:

Travis Leonard, in support.
Deborah Nelson, in opposition.
Steve Millemann, in opposition.
Brian Thom, in opposition.
Debbie Fereday, in opposition.
Ellen Ganz, in opposition.
Jim Laski, in opposition.
Jon Watson, in opposition.
Dave Edmark, in opposition.
Jonathan Oppenheimer, in opposition.
Manley Briggs, in opposition.
Kristin Hoff-Sinclair, in opposition.
Ed Allan, in opposition.

For the record, at 9:57 a.m. Attorney General Wasden excused himself from the meeting to attend to other business.

At 10:13 a.m. a motion was made by Controller Woolf to resolve into Executive Session pursuant to Idaho Code § 74-206(1)(f) to communicate with legal counsel for the Land Board to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Controller Woolf requested that a roll call vote be taken and that the Secretary record the vote in the minutes of the meeting. Secretary of State Denney seconded the motion. Roll Call Vote: Aye: Denney, Woolf, Ybarra, Little; Nay: None; Absent: Wasden.
Executive Session

A. Idaho Code § 74-206(1)(f) – to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. [Topic: Lease M500031]

For the record, at 10:15 a.m. Attorney General Wasden re-joined the meeting via teleconference.

At 10:34 a.m. the Board resolved out of Executive Session by unanimous consent. No action was taken by the Board during the Executive Session. For the record, equipment malfunction—meeting room doors would not close—prevented the Board from holding executive session.

Governor Little remarked that because Executive Session did not occur at today's meeting, the Land Board will schedule a special meeting, at the call of the Chair, to be briefed by legal counsel. A motion was made by Attorney General Wasden that the Land Board hold a special meeting for Executive Session, at the call of the Chair. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

There being no further business before the Board, at 10:37 a.m. a motion to adjourn was made by Attorney General Wasden. Controller Woolf seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.
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 Special Meeting–Executive Session
March 4, 2019

The special-executive session meeting of the Idaho State Board of Land Commissioners was held on Monday, March 4, 2019, at Idaho Department of Lands, Garnet Conference Rooms, 300 N. 6th St., Suite 103, Boise, Idaho. The meeting began at 2:00 p.m. The Honorable Governor Brad Little presided. The following members were present:

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

At 2:00 p.m. a motion was made by Attorney General Wasden to resolve into Executive Session pursuant to Idaho Code § 74-206(1)(f) to communicate with legal counsel for the Land Board to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Attorney General Wasden requested that a roll call vote be taken and that the Secretary record the vote in the minutes of the meeting. Controller Woolf seconded the motion. Roll Call Vote: Aye: Denney, Wasden, Woolf, Little; Nay: None; Absent: Ybarra.

For the record, Superintendent Ybarra joined the meeting soon after the Board convened in Executive Session.

Executive Session

A. Idaho Code § 74-206(1)(f) - to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement. [Topic Lease M500031]

At 3:22 p.m. the Board resolved out of Executive Session by unanimous consent. No action was taken by the Board during the Executive Session.

There being no further business before the Board, at 3:22 p.m. a motion to adjourn was made by Attorney General Wasden. Controller Woolf seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.
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STATE BOARD OF LAND COMMISSIONERS
March 19, 2019
Regular Agenda

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

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

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

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

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

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

Anticipating that House Bill 141 will be approved, the Department is seeking to start the negotiated rulemaking process now to allow time for input on a temporary rule from
interested parties. The temporary rule would be presented for approval by the State Board of Land Commissioners (Land Board) in July to satisfy the August 1, 2019 deadline.

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

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

**Recommendation**

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

**Board Action**

**Attachments**

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

RS26746

The Surface Mining Act was enacted in 1971 with the primary purpose to protect the taxpayers and the lands of Idaho by providing for reclamation activities and reclamation bonds for lands disturbed by surface mining activities in the state. The purpose of these proposed changes is to more accurately reflect current industry and regulatory practices. The changes include addressing the surface impacts of underground mines and providing for actual cost estimation of reclamation and related environmental activities. The legislation also includes updating financial assurance methods, requiring financial assurance for reclamation and long-term post closure management activities, requiring reclamation plan and financial assurance reviews, and ensuring that there will be no duplication in financial assurances between government agencies. Also included in the legislation is the ability for the department to require reasonable fees to pay for any additional workload associated with the proposed changes.

FISCAL NOTE

With the inclusion of fee language, the proposed amendments will have no impact to the state General Fund.

Contact:
Representative James S. Addis
(208) 332-1000
Senator James Guthrie
(208) 332-1000
Representative Dorothy Moon
(208) 332-1000

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).
LEGISLATURE OF THE STATE OF IDAHO
Sixty-fifth Legislature First Regular Session - 2019

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 141

BY RESOURCES AND CONSERVATION COMMITTEE

AN ACT
1
RELATING TO MINES; AMENDING THE HEADING FOR CHAPTER 15, TITLE 47, IDAHO CODE;
2
AMENDING SECTION 47-1501, IDAHO CODE, TO PROVIDE THAT THE PURPOSE OF
3
SPECIFIED LAW SHALL ALSO APPLY TO UNDERGROUND MINES AND TO MAKE TECH-
4
NICAL CORRECTIONS; AMENDING SECTION 47-1502, IDAHO CODE, TO REVISE A
5
SHORT TITLE, TO REVISE PROVISIONS REGARDING APPLICABILITY, AND TO MAKE
6
TECHNICAL CORRECTIONS; AMENDING SECTION 47-1503, IDAHO CODE, TO REVISE
7
DEFINITIONS, TO DEFINE TERMS, AND TO MAKE TECHNICAL CORRECTIONS; AMEND-
8
ING SECTION 47-1505, IDAHO CODE, TO REVISE THE DUTIES AND POWERS OF THE
9
BOARD OF LAND COMMISSIONERS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING
10
SECTION 47-1506, IDAHO CODE, TO REVISE OPERATOR DUTIES; AMENDING SEC-
11
TION 47-1507, IDAHO CODE, TO REVISE REFERENCE TO MINING OPERATIONS RE-
12
GARDING RECLAMATION PLANS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING
13
SECTION 47-1508, IDAHO CODE, TO REVISE REFERENCE TO MINING OPERATIONS
14
REGARDING AMENDED AND SUPPLEMENTAL PLANS, TO PROVIDE FOR REVIEW OF
15
RECLAMATION PLANS AND PERMANENT CLOSURE PLANS, TO PROVIDE FOR FEES, TO
16
PROVIDE THAT CERTAIN DETERMINATIONS SHALL BE CONSIDERED FINAL ORDERS,
17
AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 47-1509, IDAHO
18
CODE, TO REVISE REFERENCE TO MINING OPERATIONS REGARDING PROCEDURES IN
19
RECLAMATION, TO REVISE SPECIFIED RECLAMATION ACTIVITIES, AND TO MAKE
20
TECHNICAL CORRECTIONS; AMENDING SECTION 47-1510, IDAHO CODE, TO REVISE
21
REFERENCE TO MINING OPERATIONS REGARDING VEGETATION PLANTING AND TO
22
MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 47-1511, IDAHO CODE, TO
23
REVISE REFERENCE TO MINING OPERATIONS REGARDING RECLAMATION ACTIVI-
24
TIES AND TIME LIMITATIONS AND TO MAKE A TECHNICAL CORRECTION; AMENDING
25
SECTION 47-1512, IDAHO CODE, TO PROVIDE FOR FINANCIAL ASSURANCE AND
26
TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 47-1513, IDAHO CODE,
27
to REVISE PROVISIONS REGARDING AN OPERATOR'S FAILURE TO COMPLY AND TO
28
MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 47-1516, IDAHO CODE, TO
29
REVISE REFERENCE TO MINED LAND REGARDING THE DEPOSIT OF FORFEITURES
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AND DAMAGES; AMENDING SECTION 47-1517, IDAHO CODE, TO REVISE REFERENCE
31
to MINING OPERATIONS REGARDING COMPLIANCE WITH CERTAIN STATUTES AND
32
REGULATIONS; AND AMENDING SECTION 47-1518, IDAHO CODE, TO PROVIDE AN
33
EXEMPTION FROM RECLAMATION FOR CERTAIN SURFACE MINE OPERATORS, TO PRO-
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VIDE FOR APPLICABILITY, AND TO MAKE A TECHNICAL CORRECTION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That the Heading for Chapter 15, Title 47, Idaho Code, be,
and the same is hereby amended to read as follows:

CHAPTER 15

SURFACE MINING MINED LAND RECLAMATION
SECTION 2. That Section 47-1501, Idaho Code, be, and the same is hereby amended to read as follows:

47-1501. PURPOSE OF CHAPTER. It is the purpose of this chapter to provide for the protection of the public health, safety and welfare, through measures to reclaim the surface of all the lands within the state disturbed by exploration and surface and underground mining operations and measures to assure the proper closure of cyanidation facilities and thereby conserve natural resources, aid in the protection of wildlife, domestic animals, and aquatic resources, and reduce soil erosion.

SECTION 3. That Section 47-1502, Idaho Code, be, and the same is hereby amended to read as follows:

47-1502. SHORT TITLE. This act may be known and may be cited as "the "Idaho surface mining mined land reclamation act." The reclamation provisions of this act shall not apply to surface mining operations regulated by the Idaho dredge and placer mining protection act, nor shall such provisions apply to any workings at an underground mine below the surface.

SECTION 4. That Section 47-1503, Idaho Code, be, and the same is hereby amended to read as follows:

47-1503. DEFINITIONS. Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:
1. (1) "Board" means the state board of land commissioners or such department, commission, or agency as may lawfully succeed to the powers and duties of such board.
2. (2) "Cyanidation" means the method of extracting target precious metals from ores by treatment with cyanide solution, which is the primary leaching agent for the extraction.
3. (3) "Cyanidation facility" means that portion of a new ore processing facility, or a material modification or a material expansion of that portion of an existing ore processing facility, that utilizes cyanidation and is intended to contain, treat, or dispose of cyanide-containing materials including spent ore, tailings, and process water.
4. (4) "Director" means the head of the department of lands or such officer as may lawfully succeed to the powers and duties of said director.
5. (5) "Affected land" means the land area included in overburden disposal areas, mined areas, mineral stockpiles, roads, tailings ponds and other areas disturbed at on the surface mining operation site of mining operations.
6. (6) "Mineral" shall means coal, clay, stone, sand, gravel, metalliferous and nonmetalliferous type of ores, and any other similar solid material or substance of commercial value to be excavated from natural deposits on or in the earth.
7. (7) "Surface mining operations" means the activities performed on the surface of a surface or underground mine in the extraction of minerals from the ground, including the excavating of pits, removal of minerals, disposal of overburden, and the construction of haulage roads, exclusive of exploration operations, except that any exploration operations which, exclusive of exploration roads, (a) result during a period of twelve (12) consecu-
utive months in more than five (5) contiguous acres of newly affected land, or
(b) which, exclusive of exploration roads, result during a period of twelve
(12) consecutive months in newly affected land consisting of more than ten
(10) noncontiguous acres, if such affected land constitutes more than fif-
teen percent (15%) of the total area of any circular tract which includes such affected land, shall be deemed to be a surface mining operation
for the purposes of this chapter.

(8) "Exploration operations" means activities performed on the surface
of lands to locate mineral bodies and to determine the mineability and mer-
chantability thereof.

(9) "Surface mine" means an area where minerals are extracted by remov-
ing the overburden lying above and adjacent to natural deposits thereof and
mining directly from the natural deposits thereby exposed.

(10) "Underground mine" means an area where minerals are extracted from
beneath the surface of the ground by means of an adit, shaft, tunnel, de-
cline, portal, bore hole, drill hole for solution mining, or such other means
of access beneath the surface of the ground, other than a pit.

(11) "Mineral area" means surface of land from which overburden, waste
rock, or minerals have been removed other than by drilling of exploration
drill holes.

(12) "Overburden" or "waste rock" means material extracted by an oper-
ator which is not a part of the material ultimately removed from a sur-
face mine or underground mine and marketed by an operator, exclusive of min-
eral stockpiles.

(13) "Overburden disposal area" means land surface upon which overbur-
den or waste rock is piled placed or planned to be piled placed.

(14) "Exploration drill holes" means holes drilled from the surface to
locate mineral bodies and to determine the mineability and merchantability
thereof.

(15) "Exploration roads" means roads constructed to locate mineral
bodies and to determine the mineability and merchantability thereof.

(16) "Exploration trenches" means trenches constructed to locate min-
eral bodies and to determine the mineability and merchantability thereof.

(17) "Peak" means a projecting point of overburden.

(18) "Significant change" means, for an underground mine, a fifty per-
cent (50%) increase in the areal extent of the disturbed affected land.

(19) "Mine panel" means that portion of a mine designated by an opera-
tor as a panel of a surface mine or the surface effects of an underground mine
on the map submitted pursuant to section 47-1506, Idaho Code.

(20) "Mineral stockpile" means minerals extracted during surface
mining operations and retained at the surface mine for future rather than
immediate use.

(21) "Permanent closure plan" means a description of the procedures,
methods, and schedule that will be implemented to meet the intent and pur-
poses of this chapter in treating and disposing of cyanide-containing mate-
rials including spent ore, tailings, and process water and in controlling
and monitoring discharges and potential discharges for a reasonable period
of time based on site-specific conditions.

(22) "Pit" means an excavation created by the extraction of minerals or
overburden during at a surface mining operations mine.
(243) "Ridge" means a lengthened elevation of overburden.
(244) "Road" means a way constructed on a surface mine for the passage of vehicles, including the bed, slopes and shoulders thereof.
(245) "Operator" means any person or persons, any partnership, limited partnership, or corporation, or limited liability company, or any association of persons, either natural or artificial, including, but not limited to, every public or governmental agency engaged in surface mining operations or exploration operations or in operating a cyanidation facility, whether individually, jointly, or through subsidiaries, agents, employees, or contractors, and shall mean every governmental agency owning or controlling the use of any surface mine when the mineral extracted is to be used by or for the benefit of such agency. It shall not include any such governmental agency with respect to those surface mining or exploration operations as to which it grants mineral leases or prospecting permits or similar contracts, but nothing herein shall relieve the operator acting pursuant to a mineral lease, prospecting permit or similar contract from the terms of this chapter.
(246) "Hearing officer" means that person selected by the board to hear proceedings under section 47-1513, Idaho Code.
(247) "Final order of the board" means a written notice of rejection, the order of a hearing officer at the conclusion of a hearing, or any other order of the board where additional administrative remedies are not available.
(248) "Tailings pond" means an area on a surface mine or operation enclosed by a man-made or natural dam onto which has been discharged the waste material resulting from the primary concentration of minerals in ore excavated from a surface or underground mine.
(249) "Financial assurance" means monetary assurances in such form and amount as are necessary for the board or a third party to perform the reclamation activities required in this chapter.
(30) "Post-closure" means a description of the procedures, methods, and schedule for monitoring, care and maintenance, and water management that will be implemented on a mine panel after cessation of mining operations for a period not to exceed thirty (30) years unless the board determines a longer period is necessary.

SECTION 5. That Section 47-1505, Idaho Code, be, and the same is hereby amended to read as follows:

47-1505. DUTIES AND POWERS OF BOARD. In addition to the other duties and powers of the board prescribed by law, the board is granted and shall be entitled to exercise the following authority and powers and perform the following duties:
(1) To administer and enforce the provisions of this chapter and the rules and orders promulgated thereunder as provided in this chapter.
(2) To conduct and promote the coordination and acceleration of research, studies, surveys, experiments, demonstrations and training in carrying out the provisions of this chapter. In carrying out the activities authorized by this section, the board may enter into contracts with and make grants to institutions, agencies, organizations and individuals and shall collect and make available any information obtained therefrom.
(3) To adopt and promulgate reasonable rules respecting the administration of this chapter and such rules as may be necessary to carry out the intent and purposes of this chapter, provided that no rules shall be adopted which require reclamation activities in addition to those set forth in this chapter. All such rules shall be adopted in accordance with and subject to the provisions of chapter 52, title 67, Idaho Code.

(4) To enter upon affected lands at all reasonable times, for the purpose of inspection, to determine whether the provisions of this chapter have been complied with. Such inspections shall be conducted in the presence of the operator or his duly authorized employees or representatives, and the operator shall make such persons available for the purpose of inspections.

(5) To reclaim affected land with respect to which a bond financial assurance has been forfeited and, in the board's discretion, with the permission of the landowner, to reclaim such other land which becomes affected land.

(6) To complete closure activities with respect to a cyanidation facility for which a permanent closure bond financial assurance has been forfeited.

(7) (a) Upon receipt of a proposed reclamation plan or permanent closure plan or amended or supplemental plan required by this chapter, the director shall notify the cities and counties in which the surface mining operation or cyanidation facility is proposed. The notice shall include the name and address of the operator and shall describe the procedure and the schedule by which the plan may be approved or denied. This notification requirement shall not apply to exploration operations.

(b) Cities and counties may review the nonconfidential portions of the plan at the department's office and may provide comments to the director concerning the plan. Nothing in this section shall extend the time limit for the board to deliver to the operator a notice of rejection or approval of the plan or affect the confidentiality provisions of section 47-1515, Idaho Code.

(c) No city or county shall enact or adopt any ordinance, rule or resolution to regulate exploration or surface mining operations or a permanent closure plan in this state which conflicts with any provision of this chapter or the rules promulgated thereunder. This subpart shall not affect the planning and zoning authorities available to cities and counties pursuant to chapter 65, title 67, Idaho Code.

SECTION 6. That Section 47-1506, Idaho Code, be, and the same is hereby amended to read as follows:

47-1506. OPERATOR -- DUTIES PRIOR TO OPERATION -- SUBMISSION OF MAPS AND PLANS. (a) Any operator desiring to conduct surface mining operations within the state of Idaho for the purpose of immediate or ultimate sale of the minerals in either the natural or processed state shall submit to the board prior to commencing such surface mining operations a reclamation plan that contains the following:

(1) A map of the mine panel on which said operator desires to conduct surface mining operations, which sets forth with respect to said panel the following:
(i) The location of existing roads and anticipated access and main haulage roads planned to be constructed in conducting the surface mining operations.

(ii) The approximate boundaries of the lands to be utilized in the process of surface mining operations.

(iii) The approximate location and, if known, the names of all streams, creeks, or bodies of water within the area where surface mining operations shall take place.

(iv) The name and address of the person to whom notices, orders, and other information required to be given to the operator pursuant to this chapter may be sent.

(v) The drainage adjacent to the area where the surface is being utilized by surface mining operations.

(vi) The approximate boundaries of the lands that will become affected lands as a result of surface mining operations during the year immediately following the date that a reclamation plan is approved as to said panel, together with the number of acres included within said boundaries.

(vii) A description of foreseeable, site-specific nonpoint sources of water quality impacts upon adjacent surface waters, and the best management practices that will be used to control such nonpoint source impacts from mining operations and proposed water management activities to comply with water quality requirements.

(viii) A description of foreseeable, site-specific impacts from acid rock drainage and the best management practices that will be used to mitigate the impacts, if any, from such acid rock drainage post-closure activities.

(2) Diagrams showing the planned location of pits, mineral stockpiles, overburden piles and tailings ponds on said panel.

(3) A description of the action which said operator intends to take to comply with the provisions of this chapter as to the surface mining operations conducted on such mine panel.

(b)(1) Any operator who is not required to submit an operating plan for a surface mining operation to an entity of the federal government shall submit to the board, as part of the reclamation plan, an operating plan with regards to that surface mining operation. The operating plan shall include:

(i) Maps showing the location of existing roads and anticipated access and main haulage roads planned to be constructed for surface mining operations.

(ii) The boundaries and acreage of the lands to be utilized in the process of surface mining operations.

(iii) Maps showing the planned location of pits, mineral stockpiles, overburden piles and tailings ponds for the surface mining operations.

(iv) The location and, if known, the names of all streams, creeks, or bodies of water within the area where surface mining operations shall take place.

(v) The drainage adjacent to the area where the surface is being utilized by surface mining operations.
(vi) The approximate boundaries and acreage of the lands that will become affected during the first year of construction of surface mining operations.

(2) The board shall promulgate rules or guidelines to allow the content of a nonfederal operating plan to be determined based upon the type and size of the surface mining operation.

(c) No operator who is required to submit an operating plan for a surface mining operation to an entity of the federal government shall be required to submit an operating plan to the board. This provision shall apply to all lands, regardless of surface or mineral ownership, covered by the operating plan submitted to the entity of the federal government.

(d) No operator shall commence surface mining operations on any mine panel without first having a reclamation plan approved by the state board of land commissioners.

(e) Any operator desiring to conduct exploration operations within the state of Idaho using motorized earth-moving equipment in order to locate minerals for immediate or ultimate sale in either the natural or the processed state shall notify the board in writing prior to or as soon after beginning exploration operations as possible and in any event within seven (7) days after beginning exploration operations. The notice shall include the following:

(1) The name and address of the operator;

(2) The location of the operation and the starting date and estimated completion date;

(3) The anticipated size of the operation, and the general method of operation.

The notice shall be subject to disclosure according to chapter 1, title 74, Idaho Code.

(f) Any operator desiring to operate a cyanidation facility within the state of Idaho shall submit to the board prior to the operation of such a facility a permanent closure plan that contains the following:

(1) The name and address of the operator;

(2) The location of the operation;

(3) The objectives, methods and procedures the operator will use to attain permanent closure;

(4) An estimate of the cost of attaining permanent closure as well as an estimate of the costs to achieve critical phases of the closure plan;

(5) Any other information specified in the rules adopted to carry out the intent and purposes of this chapter; and

(6) An operator may incorporate a description of post-closure activities in a permanent closure plan in lieu of inclusion in a reclamation plan.

(g) The board may require a reasonable fee for reviewing and approving a permanent closure plan or reclamation plan. The fee may include the reasonable cost to employ a qualified independent party, acceptable to the operator and the board, to verify the accuracy of the cost estimate required in subsection (f)(4) of this section and section 47-1512(c), Idaho Code.

(h) The board shall coordinate its review of activities in the reclamation plan, operating plan, and permanent closure plan under statutory responsibility of the department of environmental quality with that depart-
ment, but that coordination shall not extend the time limit in which the board must act on a plan submitted.
(i) No operator shall commence operation of a cyanidation facility without first having a permanent closure plan approved by the board.

SECTION 7. That Section 47-1507, Idaho Code, be, and the same is hereby amended to read as follows:

47-1507. PLAN -- APPROVAL OR REJECTION BY BOARD -- HEARING. (a) Upon determination by the board that a reclamation or permanent closure plan or any amended plan submitted by an operator meets the requirements of this chapter, the board shall deliver to the operator, in writing, a notice of approval of such plan, and thereafter said plan shall govern and determine the nature and extent of the obligations of the operator for compliance with this chapter, with respect to the mine panel or cyanidation facility for which the plan was submitted.
(b) If the board determines that a reclamation or permanent closure plan or amended plan fails to fulfill the requirements of this chapter, it shall deliver to the operator, in writing, a notice of rejection of the plan and shall set forth in said notice of rejection the reasons for such rejection, the factual findings upon which such rejection is based, the manner in which the plan fails to fulfill said requirements, and the requirements necessary to comply with this chapter. Upon receipt of said notice of rejection, said operator may submit amended plans. Upon further determination by the board that the amended plan still does not fulfill the requirements of said section, it shall deliver to the operator, in writing, a notice of rejection of the amended plan in the same form as set out above in this section.
(c) Weather permitting, the board shall deliver to the operator within sixty (60) days after the receipt of any reclamation plan or amended reclamation plan, or within one hundred eighty (180) days after the receipt of any permanent closure plan or amended permanent closure plan, the notice of rejection or notice of approval of said plan, as the case may be, provided, however, that if the board fails to deliver a notice of approval or notice of rejection within said time period, the plan submitted shall be deemed to comply with this chapter, and the operator may commence and conduct his surface mining operations on the mine panel or operate the cyanidation facility covered by such plan as if a notice of approval of said plan had been received from the board; provided, however, that if weather conditions prevent the board from inspecting the mine panel or cyanidation facility to obtain information needed to approve or reject a submitted plan, it may, in writing to the operator, extend the time not to exceed thirty (30) days after weather conditions permit such inspection.
(d) For the purpose of determining whether a proposed plan or amended or supplemental plan complies with the requirements of this chapter, the board may, in its discretion, call for a public hearing. The hearing shall be held under such rules as promulgated by the board. Any interested person may appear at the hearing and give testimony. At the discretion of the board, the director may conduct the hearing and transmit a summary thereof to the board. Any hearing held shall not extend the period of time limit in which the board must act on a plan submitted.
SECTION 8. That Section 47-1508, Idaho Code, be, and the same is hereby amended to read as follows:

47-1508. AMENDED PLAN -- SUPPLEMENTAL PLAN -- SUBMISSION. (a) In the event that a material change in circumstances arises which the operator, or the board, believes requires a change in an approved plan, including any amended plan, then the operator shall submit to the board a supplemental plan setting forth the proposed changes and the board shall likewise set forth its proposed changes and stating the reasons therefor. Upon determination by the board that a supplemental plan or any amended supplemental plan submitted by the operator meets the requirements of this chapter, it shall deliver to the operator, in writing, a notice of approval of said supplemental plan, and thereafter said supplemental plan shall govern and determine the nature and extent of the obligations of the operator for compliance with respect to the mine panel or cyanidation facility for which the plan was submitted.

(b) If the board determines that a supplemental plan fails to fulfill the requirements of this chapter, it shall deliver to the operator, in writing, a notice of rejection of the supplemental plan and shall set forth in said notice of rejection the manner in which said plan fails to fulfill said requirements and shall stipulate the corrective requirements necessary to comply with said sections. Upon receipt of said notice of rejection, the operator may submit amended supplemental plans. Upon further determination by the board that an amended supplemental plan does not fulfill the requirements of said sections, it shall deliver to the operator, in writing, a notice of rejection of amended supplemental plans and shall set forth in said notice of rejection the manner in which such amended supplemental plan fails to fulfill said requirements and shall stipulate the requirements necessary to comply with said sections.

(c) The board shall, weather permitting, deliver to the operator within sixty (60) days after the receipt of any supplemental reclamation plan or amended supplemental reclamation plan, or within one hundred eighty (180) days after the receipt of any supplemental permanent closure plan or amended supplemental permanent closure plan, the notice of rejection, setting forth in detail the reasons for such rejection and the factual findings upon which such rejection is based or notice of approval of said plans, as the case may be, provided, however, that if the board fails to deliver a notice of approval or notice of rejection within said time period, the plan submitted shall be deemed to comply with this chapter and the operator may commence and conduct or continue, as the case may be, his surface mining operations or operate the cyanidation facility as if a notice of approval of said plan had been received from the board. If weather conditions prevent the board from inspecting the mine panel or cyanidation facility to obtain information needed to approve or reject a submitted plan, it may, in writing to the operator, extend the time not to exceed thirty (30) days after weather conditions permit such inspection.

(d) If an operator determines that unforeseen events or unexpected conditions require immediate changes in or additions to an approved reclamation or permanent closure plan, the operator may continue operations in accordance with the procedures dictated by the changed conditions, pending
submission and approval of a supplemental plan, even though such operations
do not comply with the approved plan, provided, however, that nothing herein
stated shall be construed to excuse the operator from complying with the
reclamation requirements of sections 47-1509 and 47-1510, Idaho Code, of
this chapter or from the applicable closure requirements of a permit is-
sued under section 39-118A, Idaho Code. Notice of such unforeseen events
or unexpected conditions shall be given to the board within ten (10) days
after discovery thereof, and a proposed supplemental plan shall be submitted
within thirty (30) days after discovery thereof.

(e) At least once every five (5) years, the board shall review recla-
mation plans and revise if necessary to meet the requirements of sections
47-1506, 47-1509, 47-1510, and 47-1511, Idaho Code, when there is a mate-
rial change in the reclamation plan. As part of this review, the board shall
revise the amount, terms, and conditions of any financial assurance when
there is a material change in the reclamation plan or a material change in the
estimated reasonable costs of reclamation determined pursuant to section
47-1512, Idaho Code. Any such revision shall apply only to the affected
lands covered by the material change.

(f) For a permanent closure plan approved by the board after July 1,
2005, the board shall periodically review, and revise if necessary to meet
the requirements of this chapter, the amount, terms, and conditions of any
financial assurance when there is a material change in the permanent closure
plan or a material change in the estimated reasonable costs of permanent clo-
sure determined pursuant to section 47-1512, Idaho Code. The board may re-
quire a fee sufficient to employ a qualified independent party, acceptable
to the operator and the board, to verify any revised estimate of the reason-
able costs of permanent closure.

(g) Amendments and revisions are subject to the fee requirements in
section 47-1506(g), Idaho Code.

(h) Any determination by the board under this section shall be consid-
ered a final order pursuant to section 47-1514, Idaho Code.

SECTION 9. That Section 47-1509, Idaho Code, be, and the same is hereby
amended to read as follows:

47-1509. PROCEDURES IN RECLAMATION. (a) Except as otherwise provided
in this act, every operator who conducts exploration or surface mining op-
erations which disturb two (2) or more acres within the state of Idaho
shall perform the following reclamation activities:

(1) Ridges of overburden shall be leveled in such manner as to have a
minimum width of ten (10) feet at the top.

(2) Peaks of overburden shall be leveled in such a manner as to have a
minimum width of fifteen (15) feet at the top.

(3) Overburden piles shall be reasonably prepared to control erosion.

(4) Where water run-off from affected lands results in stream or lake
erotelation in excess of that which normally results from run-off, the
operator shall prepare affected lands and adjacent premises under the
control of the operator Manage water as necessary to meet the require-
ments authorized under chapter 1, title 39, Idaho Code.

(5) Roads which are abandoned shall be cross-ditched insofar as
necessary to avoid erosion gullies.
(6) Exploration drill holes shall be plugged or otherwise left so as to eliminate hazards to humans or animals.

(7) Abandoned affected lands shall be topped to the extent that such overburden is reasonably available from the pit, with that type of overburden which is conducive to the control of erosion or the growth of the vegetation which the operator elects to plant thereon.

(8) The operator shall conduct revegetation activities on the mined areas, overburden piles, and abandoned roads in accordance with the provisions of this act.

(9) Tailings ponds shall be reasonably prepared in such a condition that they will not constitute a hazard to human or animal life.

(10) Complete all other reclamation required in the approved reclamation plan.

(b) The board may request, in writing, that a given road or portion thereof not be cross-ditched or revegetated, and upon such request, the operator shall be excused from performing such activities as to such road or portion thereof.

(c) Every operator who conducts exploration or surface mining operations which disturb less than two (2) acres within the state of Idaho shall, wherever possible, contour the lands so disturbed to approximate the previous contour of the lands.

(d) The operator and board may agree, in writing, to do any act with respect to reclamation above and beyond the requirements herein set forth.

SECTION 10. That Section 47-1510, Idaho Code, be, and the same is hereby amended to read as follows:

47-1510. VEGETATION PLANTING. (a) Except as otherwise provided in this act, an operator shall plant, on affected lands, vegetation species which can be expected to result in vegetation comparable to the vegetation which was growing on the area occupied by the affected lands prior to the exploration and surface mining operations.

(b) No planting shall be required on any affected lands, or portions thereof, where planting would not be practicable or reasonable because the soil is composed of sand, gravel, shale, stone or other material to such an extent as to prohibit plant growth.

(c) No planting shall be required to be made with respect to any of the following:

(1) On any mined area or overburden pile proposed to be used in the mining operations for haulage roads, so as long as such roads are not abandoned.

(2) On any mined area or overburden pile where lakes are formed by rainfall or drainage runoff from the adjoining lands.

(3) On any mineral stockpile.

(4) On any exploration trench which will become a part of any pit or overburden disposal area.

(5) On any road which the operator intends to use in his mining operations, so as long as said road has not been abandoned.

SECTION 11. That Section 47-1511, Idaho Code, be, and the same is hereby amended to read as follows:
47-1511. RECLAMATION ACTIVITIES -- TIME LIMITATIONS. (a) All reclamation activities required to be conducted under this act shall be performed in a good and workmanlike manner, with all reasonable diligence, and as to a given exploration drill hole, road or trench, within one (1) year after abandonment thereof.

(b) The reclamation activity as to a given mine panel shall be commenced within one (1) year after surface mining operations have permanently ceased as to such mine panel, provided, however, that in the event that during the course of surface mining operations on a given mine panel, the operator permanently ceases disposing of overburden on a given overburden pile, or permanently ceases removing minerals from a given pit, or permanently ceases using a given road or other affected land, then the reclamation activities to be conducted hereunder as to such pit, road, overburden pile, or other affected land, shall be commenced within one (1) year after such termination, despite the fact that all operations as to the mine panel, which includes such pit, road, overburden pile, or other affected land, have not permanently ceased. It shall be presumed that the operator has permanently ceased surface mining operations as to a given affected land if no substantial amount of overburden has been placed on the overburden pile in question or if no minerals have been removed from the pit in question, as the case may be, for a period of three (3) years.

This presumption may be rebutted by evidencing, in writing, to the board what surface mining operations the operator has planned on the pit, road, overburden pile, or other affected land not used within a three (3) year period. Should the board determine that the operator, in good faith, intends to continue the surface mining operation within a reasonable period of time, it shall, in writing, so notify the operator. Should the board determine that the operation will not be continued within a reasonable period of time, the board shall proceed as though the surface mining operation has been abandoned.

SECTION 12. That Section 47-1512, Idaho Code, be, and the same is hereby amended to read as follows:

47-1512. PERFORMANCE BOND FINANCIAL ASSURANCE -- REQUISITES. (a) Prior to conducting any surface mining operations on a mine panel covered by an approved reclamation plan or operating a cyanidation facility covered by an approved permanent closure plan, an operator shall submit to the board a bond financial assurance meeting the requirements of this section.

(1) The penalty of the initial reclamation bond financial assurance filed prior to conducting any surface mining operations on a mine panel shall be in an amount determined by the board to be the estimated reasonable costs of reclamation required in this chapter, in the event of failure to reclaim by an operator, of affected lands proposed to be mined during the next calendar year plus ten percent (10%) of such costs as to the acreage of affected land designated by the operator pursuant to section 47-1506(a)(1)(vi), Idaho Code, and subsection (b) of this section.

(2) The penalty of the initial permanent closure bond financial assurance filed prior to operating a cyanidation facility shall be in an amount determined by the board to be the estimated reasonable costs to
complete the activities specified in the permanent closure plan required in this chapter, in the event of the failure of an operator to complete those activities, the board may require a bond financial assurance meeting the requirements of section 47-1512(c), Idaho Code, and the penalty of such bond which shall be the amount necessary to ensure the performance of the duties of the operator under this chapter as to such affected lands actually proposed to be mined within the next calendar year. If additional acreage is subsequently proposed to be mined by an operator, the penalty of such bond financial assurance shall be in an amount determined by the board to be the estimated reasonable costs of reclamation required by this chapter, in the event of failure to reclaim by an operator, of affected lands proposed to be mined during the next calendar year plus ten percent (10%) of such costs.

(b) Prior to the time that lands designated to become affected lands on a mine panel, in addition to those designated pursuant to section 47-1506(a)(1)(vi), Idaho Code, become affected land, the operator shall submit to the board a bond financial assurance meeting the requirements of section 47-1512(c), Idaho Code, and the penalty of such bond which shall be the amount necessary to ensure the performance of the duties of the operator under this chapter as to such affected lands actually proposed to be mined within the next calendar year. If additional acreage is subsequently proposed to be mined by an operator, the penalty of such bond financial assurance shall be in an amount determined by the board to be the estimated reasonable costs of reclamation required by this chapter, in the event of failure to reclaim by an operator, of affected lands proposed to be mined during the next calendar year plus ten percent (10%) of such costs.

(c) Except as provided in this subsection, no bond For mining operations with affected land greater than five (5) acres, the financial assurance amount shall be based on the estimated reasonable costs of completing reclamation required in this chapter using standard estimating techniques, including indirect costs, developed by the board. For all other mining operations, the financial assurance for reclamation submitted pursuant to this chapter shall not exceed fifteen thousand dollars ($15,000) for any given acre of such affected land. The board may require a bond financial assurance in excess of fifteen thousand dollars ($15,000) for any given acre of affected land only when the following conditions have been met:

(1) The board has determined that such bond financial assurance is necessary to meet the requirements of sections 47-1506, 47-1509, 47-1510 and 47-1511, Idaho Code.

(2) The board has delivered to the operator, in writing, a notice setting forth the reasons it believes such bond financial assurance is necessary.

(3) The board has conducted a hearing where the operator is allowed to give testimony to the board concerning the amount of the proposed bond financial assurance. The hearing shall be held under such rules as promulgated by the board. This requirement for a hearing may be waived, in writing, by the operator. Any hearing held shall, at the discretion of the director, extend the time, up to thirty (30) days, in which the board must act on a plan submitted.
(d) Except as provided in this subsection, no bond for a cyanidation facility with affected land greater than five (5) acres, the financial assurance amount shall be based on the estimated reasonable costs to complete reclamation required under this chapter using standard estimating techniques, including indirect costs, developed by the board. For all other cyanidation facilities, the financial assurance submitted for permanent closure of a cyanidation facility pursuant to this chapter shall not exceed five million dollars ($5,000,000). The board may require a bond for financial assurance in excess of five million dollars ($5,000,000) for a cyanidation facility only when the following conditions have been met:

(1) The board has determined that such bond financial assurance is necessary to meet the requirements of this chapter.

(2) The board has delivered to the operator, in writing, a notice setting forth the reasons it believes such bond financial assurance is necessary.

(3) The board has conducted a hearing where the operator is allowed to give testimony to the board concerning the amount of the proposed bond financial assurance. The hearing shall be held under such rules as promulgated by the board. This requirement for a hearing may be waived, in writing, by the operator. Any hearing held shall, at the discretion of the director, extend the time, up to sixty (60) days, in which the board must act on the permanent closure plan submitted.

(e) Any bond financial assurance required under this chapter to be filed and maintained with the board shall be in such form as the board prescribes, payable to the state of Idaho, conditioned that the operator shall faithfully perform all requirements of this chapter and comply with all rules of the board in effect as of the date of approval of the plan in accordance with the provisions of this chapter. An operator may at any time file a single bond in lieu of separate bonds filed or to be filed pursuant to this chapter, provided that the penalty of such single bond shall be equal to the total of the penalties of the separate bonds being combined into a single bond. Further, any bond financial assurance provided to another governmental agency that also meets the requirements in this section shall be deemed to be sufficient surety for the purposes of this chapter.

(f) A bond financial assurance filed as above prescribed in this section shall not be cancelled by the surety canceled, except after not less than ninety (90) days' notice to the board. Upon failure of the operator to make substitution of surety financial assurance prior to the effective date of cancellation of the bond financial assurance or within thirty (30) days following notice of cancellation by the board, whichever is later, the board shall have the right to issue a cease and desist order and seek injunctive relief to stop the operator from conducting operations covered by such bond financial assurance until such substitution has been made.

(g) If the license to do business in this state of any surety, upon a bond filed with the board pursuant to this chapter, shall be suspended or revoked, the operator, within thirty (30) days after receiving notice thereof from the board, shall substitute for such surety a good and sufficient corporate surety licensed to do business in this state or other surety acceptable to the board alternative financial assurance in accordance with this section. Upon failure of the operator to make substitution of surety financial
assurance, the board shall have the right to issue a cease and desist order and seek injunctive relief to stop the operator from conducting operations covered by such bond financial assurance until such substitution has been made.

(h) When an operator shall have completed all or a portion of reclamation requirements, or all or a portion of any post-closure activity, under the provisions of this chapter as to any portion of affected land or any post-closure activity, he shall may notify the board. Within thirty (30) days after the receipt of such notice, the board shall notify the operator as to whether or not the reclamation or post-closure activity performed meets the requirements of the reclamation plan pertaining to the land in question.

(1) Upon the determination by the board that the requirements of the reclamation plan in question have been substantially met as to said lands or such activity, the amount of bond financial assurance in effect as to such lands or such activity shall be reduced by an amount designated by the board to reflect the reclamation done.

(2) Upon a determination by the board that the requirements of the reclamation plan in question have not been substantially met as to said lands or such activity, it shall deliver to the operator, in writing, a notice of rejection of the request for bond financial assurance release and shall set forth in said notice the reasons for such rejection, the factual findings upon which such rejection is based, the manner in which the reclamation fails to fulfill the requirements of the reclamation plan, and the changes necessary to comply with the requirements of the reclamation plan.

(i) When an operator shall have completed an activity specified in an approved permanent closure plan, he may notify the board. Within thirty (30) days after the receipt of such notice, the board shall notify the operator as to whether or not the activity performed meets the requirements of the permanent closure plan. In determining whether or not an activity under the statutory responsibility of the department of environmental quality meets the requirements of the permanent closure plan, the board shall consult with that department.

(1) Upon the determination by the board that the activity meets the requirements of the permanent closure plan, the bond financial assurance for permanent closure shall be reduced by an amount designated by the board to reflect the activity completed.

(2) Upon a determination by the board that the requirements of the permanent closure plan in question have not been met as to said lands, it shall deliver to the operator, in writing, a notice of rejection of the request for bond financial assurance release and shall set forth in said notice the reasons for such rejection, the factual findings upon which such rejection is based, the manner in which the activity fails to fulfill the requirements of the permanent closure plan, and the changes necessary to comply with the requirements of the permanent closure plan.

(j) An operator may withdraw any land previously designated as affected land within a mine panel, provided that it is not already affected land, and in such event, he shall notify the board, and the amount of the bond in effect as to the lands in that mine panel shall be reduced by an amount designated
by the board as the amount which would have been necessary to reclaim such
lands.

(k) Proof of financial assurance may be demonstrated by surety bond,
corporate guarantee, letter of credit, certificate of deposit, trust fund,
and any combination thereof or any other proof of financial assurance ap-
proved by the board.

(1) An operator may provide proof of financial assurance by use of a
trust fund, provided the following conditions are met:

(1) The trust fund is managed by a third-party trustee;
(2) The trust fund names the state of Idaho as beneficiary; and
(3) The trust is initially funded in an amount at least equal to:
   (i) The financial assurance amount as estimated by this section;
   (ii) A specified schedule of payments into the fund; or
   (iii) A pro-rata amount if used with another financial assurance
      mechanism.
(4) The trustee shall invest the principal and income of the fund in
    accordance with general investment practices. Investments can include
    equities, bonds, and government securities.
(5) The operator enters into a memorandum of agreement with the board
    that identifies the trustee, a range of investments, initial funding,
    schedule of payments, and expected rate of return.
(6) The trust fund balance shall be reviewed by the board at a period
    not to exceed once every five (5) years and adjustments to the trust fund
    made to meet the conditions of the agreement and this chapter.

(m) Following the permanent cessation of a mining operation, the board
may determine that a post-closure period of greater than thirty (30) years is
necessary only when the following conditions have been met:

(1) The board has determined that such longer post-closure period
    is necessary to meet the requirements of sections 47-1506, 47-1509,
    47-1510, and 47-1511, Idaho Code;
(2) The board has delivered to the operator, in writing, a notice set-
    ting forth the reasons it believes a longer post-closure period is nec-
    essary;
(3) The board has conducted a hearing where the operator is allowed to
give testimony concerning the length of the post-closure period. The
hearing shall be held under such rules as promulgated by the board. The
requirement for a hearing may be waived by the operator; and
(4) Any decision by the board under this subsection shall be considered
    a final order pursuant to section 47-1514, Idaho Code.

(n) Any mining operation that is addressing water management, and any
releases to the environment through a comprehensive environmental response,
compensation and liability act (CERCLA) order, including any required fi-
nancial assurance, shall not be required to submit financial assurance to
the board for any activities covered by a CERCLA order.

SECTION 13. That Section 47-1513, Idaho Code, be, and the same is hereby
amended to read as follows:

47-1513. OPERATOR'S FAILURE TO COMPLY -- FORFEITURE OF BOND FINANCIAL
ASSURANCE -- PENALTIES -- RECLAMATION FUND -- CYANIDATION CLOSURE FUND. (a)
Whenever the board determines that an operator has not complied with the pro-
visions of this chapter, the board may notify the operator of such noncom-
pliance and may, by private conference, conciliation, and persuasion, en-
deavor to remedy such violation. In the event of a violation referred to
in subsections (d) and (e) of this section, the board may proceed without
an administrative action, hearing or decision to exercise the remedies set
forth in said subsections. Additionally, no administrative action, hear-
ing or decision shall be required from the Idaho board of environmental qual-
ity prior to the board proceeding under subsections (d) and (e) of this sec-
tion. In the event of the failure of any conference, conciliation and per-
suasion to remedy any alleged violation, the board may cause to have issued
and served upon the operator alleged to be committing such violation a for-
mal complaint which shall specify the provisions of this chapter which
that the operator allegedly is violating and a statement of the manner in
and the extent to which said operator is alleged to be violating the provi-
sions of this chapter. Such complaint may be served by certified mail, and
a return receipt signed by the operator, an officer of a corporate operator,
or the designated agent of the operator shall constitute service. The op-
erator shall answer the complaint and request a hearing before a designated
hearing officer within thirty (30) days from receipt of the complaint if mat-
ters asserted in the complaint are disputed. If the operator fails to answer
the complaint and request a hearing, the matters asserted in the complaint
shall be deemed admitted by the operator, and the board may proceed to can-
cel the reclamation or permanent closure plan and forfeit the bond financial
assurance in the amount necessary to reclaim affected lands or complete the
permanent closure activities. Upon request for a hearing by an operator,
the board shall schedule a hearing before a hearing officer appointed by the
board at a time not less than thirty (30) days after the date the operator
requests a hearing. The board shall issue subpoenas at the request of the
director of the department of lands and at the request of the charged op-
erator, and the matter shall be otherwise handled and conducted in ac-
cordance with chapter 52, title 67, Idaho Code. The hearing officer shall, pur-
suant to said hearing, enter an order in accordance with chapter 52, title
67, Idaho Code, which, if adverse to the operator, shall designate a time pe-
riod within which corrective action should be taken. The time period desig-
nated shall be long enough to allow the operator, in the exercise of reason-
able diligence, to rectify any failure to comply designated in said order.
In the event that the operator takes such action as is necessary to comply
with the order within the time period designated in said order, no further
action shall be taken by the board to compel performance under the chapter.

(b) Upon request of the board, the attorney general shall institute
proceedings to have the bond financial assurance of an operator forfeited
for the violation by the operator of an order entered pursuant to this sec-
tion.

(c) The forfeiture of such bond financial assurance shall fully satisfy
all obligations of the operator to reclaim the affected land or complete per-
manent closure activities under the provisions of this chapter. If the vi-
olation involves an operator that has not furnished a bond financial assur-
ance required by this chapter, or an operator that is not required to furnish
a bond financial assurance pursuant to this chapter, or an operator who vio-
lates this chapter by performing an act not included in the original approved
reclamation plan or the original approved permanent closure plan, and such
departure from the plan is not subsequently approved, such operator shall
be subject to a civil penalty for his failure to comply with such order in
the amount determined by the board to be the anticipated cost of reasonable
reclamation of affected lands or permanent closure of the cyanidation facil-
ity. Nothing in this subsection shall relieve the operator of any obliga-
tion, including the obligation to complete closure requirements, pursuant
to a permit issued by the department of environmental quality under section
39-118A, Idaho Code, or limit that department's authority to require compli-
ance with such permit requirements.
(d) Notwithstanding any other provisions of this chapter, the board may
commence an action without bond financial assurance or undertaking, in the
name of the state of Idaho, to enjoin any operator who is conducting opera-
tions without an approved plan required by section 47-1506, Idaho Code, or
without the bond financial assurance required by this chapter. The court, or
a judge thereof at chambers, if satisfied from the complaint or by affidavits
that such acts have been or are being committed, shall issue a temporary re-
straining order without notice or bond, enjoining the defendant, his agents,
and employees from conducting such operations without said plan or bond.
Upon a showing of good cause therefor, the temporary restraining order may
require the defendant to perform reclamation of the mined area in conformity
with sections 47-1509 and 47-1510, Idaho Code, or to complete permanent
closure activities, pending final disposition of the action. The action
shall then proceed as in other cases for injunctions. If it is established
at trial that the defendant has operated without an approved plan or bond
financial assurance, the court shall enter, in addition to any other order,
a decree enjoining the defendant, his agents and employees from thereafter
conducting such activities or similar actions in violation of this chapter.
The board may, in conjunction with its injunctive procedures, proceed in
the same or in a separate action to recover from an operator who is conduct-
ing surface mining or exploration operations or operating a cyanidation
facility without the required plan or bond financial assurance, the cost
of performing the reclamation activities required by sections 47-1509 and
47-1510, Idaho Code, or the cost of permanent closure activities from any
such operator who has not filed a bond provided financial assurance to cover
the cost of the required activities.
(e) Notwithstanding any other provision of this chapter, the board may,
without bond or undertaking and without any administrative action, hearing
or decision, commence an action in the name of the state of Idaho (1) to en-
join a permitted surface mining operation or cyanidation facility when, un-
der an existing approved plan, an operator violates the terms of the plan
and where immediate and irreparable injury, loss or damage may result to the
state, and (2) to recover the penalties and to collect civil damages provided
for by law.
(f) In addition to the procedures set forth in subsections (a), (d) and
(e) of this section, and in addition to the civil penalty provided in subsec-
tion (c) of this section, any operator who violates any of the provisions of
this chapter or rules adopted pursuant thereto, or who fails to perform the
duties imposed by these provisions, or who violates any determination or or-
der promulgated pursuant to the provisions of this chapter, shall be liable
to a civil penalty of not less than five hundred dollars ($500) nor more than
two thousand five hundred dollars ($2,500) for each day during which such vi-
olation continues, and in addition may be enjoined from continuing such vi-
olation. Such penalties shall be recoverable in an action brought in the name
of the state of Idaho by the attorney general in the district court for the
county where the violation, or some part thereof, occurs, or in the district
court for the county wherein the defendant resides.

(1) All sums recovered related to the reclamation provisions of this
chapter shall be placed in the state treasury and credited to the
surface mining reclamation fund, which is hereby created, to be used to
reclaim affected lands and to administer the reclamation provisions of
this chapter.

(2) All sums recovered related to the cyanidation facility closure pro-
visions of this chapter shall be placed in the state treasury and cred-
ited to the cyanidation facility closure fund, which is hereby created.
Moneys in the fund may be expended pursuant to appropriation and used to
complete permanent closure activities and to administer the permanent
closure provisions of this chapter.

(g) Any person who willfully and knowingly falsifies any records, in-
formation, plans, specifications, or other data required by the board or
willfully fails, neglects, or refuses to comply with any of the provisions of
this chapter shall be guilty of a misdemeanor and shall be punished by a fine
of not less than one thousand dollars ($1,000) and not more than five thou-
sand dollars ($5,000) or imprisonment not to exceed one (1) year, or both.

(h) Reclamation plans approved by the board as of January 1, 1997 July
1, 2019, shall be deemed to be in full compliance with the requirements of
this chapter. However, the board may periodically review, and revise if
necessary to meet the requirements of sections 47-1506, 47-1509, 47-1510
and 47-1511, Idaho Code, the amount, terms and conditions of any bond when
there is a material change in the reclamation plan or a material change in the
estimated reasonable costs of reclamation determined pursuant to section
47-1512, Idaho Code. Any revision to the amount, terms and conditions of a
bond due to a material change in the reclamation plan shall apply only to the
affected lands covered by the material change in the reclamation plan.

(i) A cyanidation facility with an existing permit approved by the de-
partment of environmental quality under section 39-118A, Idaho Code, as of
July 1, 2005, shall be deemed to be in full compliance with the requirements
of this chapter. If there is a material modification or a material expansion
of a cyanidation facility after July 1, 2005, the provisions of this chapter
shall apply to the modification or expansion. Provided however, that recla-
mation or closure related activities at a facility with an existing cyanida-
tion permit that did not actively add cyanide after January 1, 2005, shall
not be considered to be material modifications or a material expansion of the
facility.

(j) For a permanent closure plan approved by the board after July 1,
2005, the board shall periodically review, and revise if necessary to meet
the requirements of this chapter, the amount, terms and conditions of any
bond when there is a material change in the permanent closure plan or a ma-
terial change in the estimated reasonable costs of permanent closure deter-
mined pursuant to section 47-1512, Idaho Code. The board may require a fee
sufficient to employ a qualified independent party, acceptable to the oper-
ator and the board, to verify any revised estimate of the reasonable costs of
permanent closure.

SECTION 14. That Section 47-1516, Idaho Code, be, and the same is hereby
amended to read as follows:

47-1516. DEPOSIT OF FORFEITURES AND DAMAGES. All forfeitures and
civil damages collected under the provisions of this act shall be deposited
with the state treasurer in a special fund to be used by the board for surface
mined land reclamation purposes.

SECTION 15. That Section 47-1517, Idaho Code, be, and the same is hereby
amended to read as follows:

47-1517. CONDUCT OF ACTIVITIES. (a) An operator shall conduct all ex-
ploration and mining operations in accordance with all applicable statutes
and regulations pertaining to water use and mining safety applicable to ex-
ploration and surface mining operations.

(b) An operator desiring to operate a cyanidation facility within the
state of Idaho shall conduct all related activities in accordance with all
applicable statutes and rules related to cyanidation including, but not lim-

SECTION 16. That Section 47-1518, Idaho Code, be, and the same is hereby
amended to read as follows:

47-1518. EFFECTIVE DATE -- APPLICATION OF CHAPTER. (a) The reclama-
tion provisions of this chapter shall be in full force and effect on and af-
fter May 31, 1971. An surface mine operator shall not be required to perform
the reclamation activities referred to in this chapter as to any surface min-
ing operations performed prior to May 31, 1972, and further, shall not be
required to perform such reclamation activities as to any pit or overburden
pile as it exists prior to May 31, 1972.

(b) The cyanidation provisions of this chapter shall be in full force
and effect on and after July 1, 2005. The board shall promulgate temporary
rules by August 1, 2005, to implement the provisions of this act. A cyanida-
tion facility with an existing permit approved by the department of environ-
mental quality under section 39-118A, Idaho Code, as of July 1, 2005, shall
be deemed to be in full compliance with the requirements of this chapter. If
there is a material modification or a material expansion of a cyanidation
facility after July 1, 2005, the provisions of this chapter shall apply to
the modification or expansion. Provided however, that reclamation or clo-
sure-related activities at a facility with an existing cyanidation permit
that did not actively add cyanide after January 1, 2005, shall not be consid-
ered to be material modifications or a material expansion of the facility.

(c) An underground mine operator shall not be subject to this chapter
for affected land disturbed by underground mine operations prior to July 1,
2019. If there is a significant change to affected land at an underground
mining operation after July 1, 2019, the provisions of this chapter shall ap-
ply to the significant change.
(d) The financial assurance and post-closure provisions of this chapter amended in 2019 shall be in force and effect on or after July 1, 2019. Provided that the financial assurance and post-closure provisions of this chapter amended in 2019 shall not apply to:

(1) Mining operations currently permitted or authorized to commence operations prior to July 1, 2019; or

(2) Any mining operation that has permanently ceased operations prior to July 1, 2019.

(e) For mining operations that have submitted maps and plans to state or federal agencies as required by section 47-1506, Idaho Code, but such operations have not been approved prior to July 1, 2019, such operations shall have one (1) year after operation approval to submit plans and financial assurance required by the financial assurance and post-closure provisions of this chapter as amended in 2019.

(f) The board shall promulgate temporary rules by August 1, 2019, to implement the 2019 amendments to this chapter.
### 20.03.02 Negotiated Rulemaking Schedule

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 4, 2019</td>
<td>Submitted ARRF to Division of Financial Management</td>
</tr>
<tr>
<td>March 12, 2019</td>
<td>Present negotiated rulemaking request to Land Board staff</td>
</tr>
<tr>
<td>March 19, 2019</td>
<td>Present negotiated rulemaking request to Land Board for approval</td>
</tr>
<tr>
<td>April 5, 2019</td>
<td>Submit <em>Notice of Intent</em> to Office of the Administrative Rules Coordinator (OAR) for publication in May Administrative Bulletin</td>
</tr>
<tr>
<td>May 1, 2019</td>
<td>Bulletin publication date (draft rule text posted to IDL website)</td>
</tr>
<tr>
<td>May 9, 2019</td>
<td>Negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td>May 15, 2019</td>
<td>Negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td>May 22, 2019</td>
<td>Negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td>May 29, 2019</td>
<td>Negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td><strong>Comment Period</strong></td>
<td></td>
</tr>
<tr>
<td>June 12, 2019</td>
<td>Negotiated rulemaking meeting in Pocatello (with call-in line)</td>
</tr>
<tr>
<td>June 13, 2019</td>
<td>Negotiated rulemaking meeting in Challis (with call-in line)</td>
</tr>
<tr>
<td>June 18, 2019</td>
<td>Negotiated rulemaking meeting in Coeur d'Alene (with call-in line)</td>
</tr>
<tr>
<td>June 19, 2019</td>
<td>Negotiated rulemaking meeting in McCall (with call-in line)</td>
</tr>
<tr>
<td>June 20, 2019</td>
<td>Negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td>June 27, 2019</td>
<td>Negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td><strong>Comment Period</strong></td>
<td></td>
</tr>
<tr>
<td>July 11, 2019</td>
<td>Final negotiated rulemaking meeting in Boise (with call-in line)</td>
</tr>
<tr>
<td>July 15, 2019</td>
<td>Last day to submit comments prior to submittal of proposed rules</td>
</tr>
<tr>
<td>July 19, 2019</td>
<td>Submit proposed rule text to Division of Financial Management</td>
</tr>
<tr>
<td>August 2, 2019</td>
<td>Submit <em>Notice of Proposed Rule</em> to OAR for publication in September Administrative Bulletin</td>
</tr>
<tr>
<td>September 4, 2019</td>
<td>Proposed rule published in the Administrative Bulletin and 21-day comment period begins</td>
</tr>
<tr>
<td>September 16, 2019</td>
<td>Public hearing in Boise (with call-in line)</td>
</tr>
<tr>
<td>September 25, 2019</td>
<td>21-day comment period ends</td>
</tr>
<tr>
<td>October 8, 2019</td>
<td>Present pending rule to Land Board staff</td>
</tr>
<tr>
<td>October 15, 2019</td>
<td>Present pending rule to Land Board for approval</td>
</tr>
<tr>
<td>November 29, 2019</td>
<td>Submit <em>Notice of Pending Rule</em> to OAR for publication in January Administrative Bulletin and review during the 2020 legislative session</td>
</tr>
</tbody>
</table>
### 20.03.02 Temporary Rulemaking Schedule

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 12, 2019</td>
<td>Present notification to Land Board staff - IDL will engage stakeholders for temporary rule to be in place by 8/1/2019</td>
</tr>
<tr>
<td>March 19, 2019</td>
<td>Present notification to Land Board - IDL will engage stakeholders for temporary rule to be in place by 8/1/2019</td>
</tr>
<tr>
<td>June 12, 2019</td>
<td>Discuss during negotiated rulemaking in Pocatello (with call-in line)</td>
</tr>
<tr>
<td>June 13, 2019</td>
<td>Discuss during negotiated rulemaking in Challis (with call-in line)</td>
</tr>
<tr>
<td>June 18, 2019</td>
<td>Discuss during negotiated rulemaking in Coeur d'Alene (with call-in line)</td>
</tr>
<tr>
<td>June 19, 2019</td>
<td>Discuss during negotiated rulemaking in McCall (with call-in line)</td>
</tr>
<tr>
<td>June 20, 2019</td>
<td>Discuss during negotiated rulemaking in Boise (with call-in line)</td>
</tr>
<tr>
<td>June 27, 2019</td>
<td>Discuss/finalize during negotiated rulemaking in Boise (with call-in line)</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>Submit ARRF and temporary rule text to Division of Financial Management</td>
</tr>
<tr>
<td>July 9, 2019</td>
<td>Present temporary rule to Land Board staff</td>
</tr>
<tr>
<td>July 16, 2019</td>
<td>Present temporary rule to Land Board for approval (temporary rule effective upon approval)</td>
</tr>
<tr>
<td>August 2, 2019</td>
<td>Submit <em>Notice of Temporary Rule</em> to OAR for publication in September Administrative Bulletin</td>
</tr>
<tr>
<td>September 4, 2019</td>
<td>Temporary rule publishes in the Administrative Bulletin</td>
</tr>
</tbody>
</table>
2019 Negotiated Rulemaking Meetings for 20.03.02

Disclaimer: Underground mines and potential mines not yet permitted are not shown on the map.

This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.
STATE BOARD OF LAND COMMISSIONERS
March 19, 2019
Regular Agenda

Subject
Approval to offer for auction, seven commercial lots located at East Watertower Street, Meridian, Idaho.

Background
Through a land exchange in 2000 by the Idaho Department of Lands (Department), the Normal School Endowment acquired eleven vacant commercial lots on East Watertower Street in Meridian, Idaho (Watertower Lots). The Watertower Lots are on the north and south side of East Watertower Street (Attachment 1) and surrounded by retail, office, light industrial and government uses including the Idaho State Police's (ISP) training facility. The Watertower Lots are vacant, unimproved, and do not produce any income.

In 2014, the State Board of Land Commissioners (Land Board) directed the Department to offer four of the eleven Watertower Lots for auction. Those four lots were acquired at auction by ISP. In 2017, the Land Board directed the Department to offer at auction, four of the remaining seven Watertower Lots. The Department offered the four lots on the north side of the road for auction and no bids were received.

Discussion
The Land Board’s Commercial Real Estate Advisor, CenturyPacific LLLP (CenturyPacific), recommended the Department offer the property for lease prior to offering it for auction in early 2019. The Department has advertised and placed leasing signs on the property. After five months of advertising, the Department has received no material interest from potential long- or short-term tenants. In accordance with CenturyPacific's recommendation, the Department is seeking to pursue the disposition of the property at auction. Should any of the properties not sell, the Department will continue to seek leasing opportunities.

Over the past year, the Department completed the necessary due diligence to take the seven remaining Watertower Lots to auction. The Department will use a broker to market the Watertower Lots as available for auction. The broker will post all due diligence materials for interested parties, including property-specific appraisals, review appraisals, environmental assessments, and preliminary title commitments. The Idaho Attorney General's Office, as a member of the disposition team, has participated in the preparation of the auction and administration documents for the sale. The culmination of the aforementioned due diligence and auction documents will be accessible through a link on the Department's website.
The Department will commence the following disposition process if any lots are nominated and may include additional lots based on broker recommendations:

- 60-day notice to Ada County
- Create due diligence portal
- Legal notice in Idaho Statesman for 5 weeks
- Auction
- Closing

The terms of the sale will include:

- Live public auction held in Ada County
- Starting bid not less than appraised value
- Bidders required to post a nonrefundable bid deposit of $10,000, unless otherwise approved by the Department
- A buyer’s premium of 5% added to the successful bid price, unless the buyer is a governmental agency then the buyer’s premium will be 3%
- Buyer’s agent commission of 2% will be offered, unless buyer is a governmental agency
- No contingencies
- Buyer responsible for all closing costs and title insurance
- Closing within 60 days after close of auction

**Recommendation**

Direct the Department to offer the seven Watertower Lots for disposition through public auction in Ada County.

**Board Action**

**Attachments**

1. Watertower Lots Map