



Idaho State Board of Land Commissioners

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

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.

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

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

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

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

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

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

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

Trust Land Revenue

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

Discussion: None.

Status Updates

- C. Fire Season Report

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

- D. Land Bank Fund

Discussion: None.

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

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

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

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

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

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

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

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

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

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

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

Consent—Action Item(s)

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

Discussion: None.

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

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

Discussion: None.

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

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

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

Regular—Action Item(s)

- 6. Alternative Use of Land Bank Funds¹**

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

Discussion:

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

¹ By unanimous consent action, this item moved from Information Agenda to Regular Agenda.

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

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

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

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

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

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

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

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

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

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

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

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

Information

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

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

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

Discussion:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. FirstNet Communication Lease M700086, Request for Audience

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

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

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

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

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

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

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

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

Attorney General Wasden: Okay. Thank you very much.

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

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

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

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

Governor Little: Are you close to wrapping up?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Governor Little: Thank you, Mr. Hill.

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

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

