State Board of Land Commissioners Open Meeting Checklist

Meeting Date: May 18, 2021

### Regular Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/6/2021</td>
<td>Meeting Notice posted in prominent place in IDL’s Boise Director’s office five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>5/6/2021</td>
<td>Meeting Notice posted in prominent place in IDL’s Coeur d’Alene staff office five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>5/6/2021</td>
<td>Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.</td>
</tr>
<tr>
<td>5/6/2021</td>
<td>Meeting Notice 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>5/6/2021</td>
<td>Meeting Notice 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>5/12/2021</td>
<td>Agenda posted in prominent place in IDL’s Boise Director’s office forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>5/12/2021</td>
<td>Agenda posted in prominent place in IDL’s Coeur d’Alene staff office forty-eight (48) hours before meeting.</td>
</tr>
<tr>
<td>5/12/2021</td>
<td>Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.</td>
</tr>
<tr>
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<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>5/12/2021</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>5/6/2021</td>
<td>Land Board annual meeting schedule posted – Boise Director’s office, Coeur d’Alene staff office, and IDL’s public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a></td>
</tr>
</tbody>
</table>

### Special Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Meeting Notice and Agenda posted in a prominent place in IDL’s Boise Director’s office twenty-four (24) hours before meeting.</td>
</tr>
<tr>
<td></td>
<td>Meeting Notice and Agenda posted in a prominent place in IDL’s Coeur d’Alene staff office twenty-four (24) hours before meeting.</td>
</tr>
<tr>
<td></td>
<td>Meeting Notice and Agenda posted at meeting location twenty-four (24) hours before meeting.</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Meeting Notice and Agenda posted electronically on IDL’s public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> twenty-four (24) hours before meeting.</td>
</tr>
<tr>
<td></td>
<td>Emergency situation exists – no advance Meeting Notice or Agenda needed. &quot;Emergency” defined in Idaho Code § 74-204(2).</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.</td>
</tr>
</tbody>
</table>

Recording Secretary: Renee Jacobsen
Date: May 12, 2021

rev. 1/8/2021
NOTICE OF PUBLIC MEETING
MAY 2021

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, May 18, 2021 in the JRW West Conference Room, Joe R. Williams Building, First Floor, 700 W. State Street, Boise. The meeting is scheduled to begin at 9:00 AM (Mountain).

Please note location.

The State Board of Land Commissioners will conduct this meeting by virtual means; at least one Board member will attend the meeting in person. This meeting is open to the public.

Meeting will be streamed live via IPTV: https://www.idahoptv.org/shows/idahoinsession/ and via Facebook: https://www.facebook.com/IdahoDepartmentofLands

Members of the public may register to attend the Zoom webinar through this link: https:idl.zoom.us/webinar/register/WN_Ox4nbFF6THGOJsNi8fV4OQ

The Governor’s Stage 3 Stay Healthy Order dated 2/2/2021 allows for gatherings, including public meetings, of up to 50 persons in physical attendance. Total audience capacity in this meeting room due to social distancing measures is approximately 30 people. Individuals are highly encouraged to watch online or via webinar. All in-person attendees must comply with current COVID-19 safety protocols for public gatherings in the City of Boise, including but not limited to wearing face coverings and observing social distancing.

Physical distancing measures reduce the meeting room’s normal attendance capacity.¹

The State Board of Land Commissioners will conduct this meeting by virtual means; at least one Board member will attend the meeting in person. This meeting is open to the public. No public comment will be taken.

Meeting will be streamed live via IPTV: [https://www.idahoptv.org/shows/idahoinsession/](https://www.idahoptv.org/shows/idahoinsession/) and via Facebook: [https://www.facebook.com/IdahoDepartmentofLands](https://www.facebook.com/IdahoDepartmentofLands)

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The Governor’s [Stage 4 Stay Healthy Guidelines](https://www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/) dated 5/11/2021 allows for public meetings of any size with adherence to physical distancing and sanitation requirements. Total audience capacity at this venue due to social distancing measures is approximately 30 people. **Individuals are highly encouraged to watch online or via webinar.** All in-person attendees must comply with current COVID-19 safety protocols for public gatherings in the City of Boise, including but not limited to wearing face coverings and observing social distancing. Physical distancing measures reduce the meeting room’s normal attendance capacity.¹

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

   **Trust Land Revenue**
   - A. Timber Sales – April 2021
   - B. Leases and Permits – April 2021

   **Status Updates**
   - C. Legislative Summary-Final

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

   - A. Manager's Report
   - B. Investment Report
   - C. Semi-Annual Report

Consent—Action Item(s)

3. Approval of Draft Minutes – April 20, 2021 Regular Meeting (Boise)

Regular—Action Item(s)

4. Land Bank Fund Transfer to Permanent Fund – Presented by Dustin Miller, Director

5. Idaho Forest Group Land Exchange – Presented by Josh Purkiss, Bureau Chief-Real Estate Services

6. Omnibus Rulemaking – Adoption of Temporary Non-Fee Rules – Presented by Scott Phillips, Policy and Communications Chief

Information

None

Executive Session

None
EXECUTIVE SESSIONS — WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;
(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;
(c) To acquire an interest in real property not owned by a public agency;
(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;
(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;
(g) By the commission of pardons and parole, as provided by law;
(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;
(i) To engage in communications with a representative of the public agency’s risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency’s risk manager or insurance provider at an executive session does not satisfy this requirement; or
(j) To consider labor contract matters authorized under section 74-206A (1)(a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:
Timber Sales

During April 2021, the Department of Lands sold four endowment timber sales at auction. The endowment net sale value represents a 22% up bid over the advertised value. The Department of Lands also sold one GNA sale at auction. The GNA net sale value represents a 50% up bid over the advertised value. For May, Fidlers Bane Pulp sale sold for appraised to Clearwater Paper Company. The Swamp Engraver Ton sale did not sell at auction. The Ceady OSR sale sold to Bennett Lumber Products, Inc. and the Casey OSR sale sold to Empire Lumber Company. Both sales had competitive bidding.

### TIMBER SALE AUCTIONS

<table>
<thead>
<tr>
<th>Sale Name</th>
<th>Area</th>
<th>Sawlogs MBF</th>
<th>Cedar Prod MBF</th>
<th>Pulp MBF</th>
<th>Appraised Net Value</th>
<th>Sale Net Value</th>
<th>Net $/MBF</th>
<th>Purchaser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up and Away</td>
<td>SJ</td>
<td>9,125</td>
<td></td>
<td></td>
<td>$2,806,674</td>
<td>$2,867,258.00</td>
<td>$314.22</td>
<td>IFG Timber LLC</td>
</tr>
<tr>
<td>Fragile</td>
<td>POL</td>
<td>5,660</td>
<td></td>
<td></td>
<td>$1,172,357</td>
<td>$1,860,357.00</td>
<td>$328.68</td>
<td>IFG Timber LLC</td>
</tr>
<tr>
<td>Upper Curtis</td>
<td>POL</td>
<td>1,595</td>
<td></td>
<td></td>
<td>$208,257</td>
<td>$276,514.00</td>
<td>$173.36</td>
<td>Timber Logging Co.</td>
</tr>
<tr>
<td>Dickensheet OSR</td>
<td>PL</td>
<td>2,200</td>
<td></td>
<td></td>
<td>$521,152</td>
<td>$765,345.00</td>
<td>$347.88</td>
<td>Stimson Lumber</td>
</tr>
<tr>
<td>Endowment</td>
<td></td>
<td>18,580</td>
<td>0</td>
<td>0</td>
<td>$4,708,439</td>
<td>$5,769,474.00</td>
<td>$310.52</td>
<td></td>
</tr>
<tr>
<td>Rocky Goose GNA Ton</td>
<td>PAY</td>
<td>4,660</td>
<td></td>
<td></td>
<td>$708,670.44</td>
<td>$1,061,701.80</td>
<td>$227.83</td>
<td>Woodgrain Inc</td>
</tr>
<tr>
<td>Non-Endowment</td>
<td></td>
<td>4,660</td>
<td>0</td>
<td>0</td>
<td>$708,670.44</td>
<td>$1,061,701.80</td>
<td>$227.83</td>
<td></td>
</tr>
</tbody>
</table>

### PROPOSED TIMBER SALES FOR AUCTION

<table>
<thead>
<tr>
<th>Sale Name</th>
<th>Volume MBF</th>
<th>Advertised Net Value</th>
<th>Area</th>
<th>Estimated Auction Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>View Finder</td>
<td>3,215</td>
<td>$767,774</td>
<td>POL</td>
<td>5/11/2021</td>
</tr>
<tr>
<td>Last Stitch OSR</td>
<td>6,485</td>
<td>$877,221</td>
<td>POL</td>
<td>5/11/2021</td>
</tr>
<tr>
<td>Junta Sawlog</td>
<td>2,900</td>
<td>$495,506</td>
<td>PL</td>
<td>5/13/2021</td>
</tr>
<tr>
<td>Rainbow Fir Salvage</td>
<td>1,125</td>
<td>$305,220</td>
<td>SJ</td>
<td>5/18/2021</td>
</tr>
<tr>
<td>Rocky Point</td>
<td>1,500</td>
<td>$333,506</td>
<td>PL</td>
<td>5/27/2021</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>15,225</strong></td>
<td><strong>$2,779,226</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>South Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swamp Engraver Ton</td>
<td>5,025</td>
<td>$1,038,351</td>
<td>MC</td>
<td>5/5/2021</td>
</tr>
<tr>
<td>Fidlers Bane Pulp</td>
<td>4,100</td>
<td>$1,150,485</td>
<td>MC</td>
<td>5/5/2021</td>
</tr>
<tr>
<td>Ceady OSR</td>
<td>4,095</td>
<td>$1,444,706</td>
<td>CLW</td>
<td>5/6/2021</td>
</tr>
<tr>
<td>Casey OSR</td>
<td>1,700</td>
<td>$463,997</td>
<td>CLW</td>
<td>5/6/2021</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>14,920</strong></td>
<td><strong>$4,097,538</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### VOLUME UNDER CONTRACT as of April 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>Public School</th>
<th>Pooled</th>
<th>Total</th>
<th>3 Year Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Contracts</td>
<td>164</td>
<td></td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>Total Residual MBF Equivalent</td>
<td>353,095</td>
<td>210,664</td>
<td>563,759</td>
<td>531,164</td>
</tr>
<tr>
<td>Estimated residual value</td>
<td>$82,709,628</td>
<td>$57,751,252</td>
<td>$140,460,880</td>
<td>$146,508,762</td>
</tr>
<tr>
<td>Residual Value ($/MBF)</td>
<td>$234.24</td>
<td>$274.14</td>
<td>$249.15</td>
<td>$277.17</td>
</tr>
</tbody>
</table>

### TIMBER HARVEST RECEIPTS

<table>
<thead>
<tr>
<th></th>
<th>April Stumpage</th>
<th>Interest</th>
<th>FY to date Harvest Receipts</th>
<th>May Projected Stumpage</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public School</td>
<td>$773,627.74</td>
<td>$136,703.67</td>
<td>$41,958,885.48</td>
<td>$945,321.43</td>
<td>$81,924.92</td>
</tr>
<tr>
<td>Pooled</td>
<td>$591,963.86</td>
<td>$83,544.87</td>
<td>$29,642,932.25</td>
<td>$2,159,897.46</td>
<td>$156,578.02</td>
</tr>
<tr>
<td>General Fund</td>
<td>$1.29</td>
<td>$0.00</td>
<td>$13,090.78</td>
<td>$1.29</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$1,365,592.89</strong></td>
<td><strong>$220,248.54</strong></td>
<td><strong>$71,614,908.51</strong></td>
<td><strong>$3,105,220.18</strong></td>
<td><strong>$238,502.94</strong></td>
</tr>
</tbody>
</table>

### Status of FY2021 Timber Sale Program

<table>
<thead>
<tr>
<th>MBF Sawlog</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold as of April 30, 2021</td>
<td>120,059</td>
<td>88,566</td>
<td>208,625</td>
</tr>
<tr>
<td>Currently Advertised</td>
<td>26,145</td>
<td>23,435</td>
<td>49,580</td>
</tr>
<tr>
<td>In Review</td>
<td>15,675</td>
<td>0</td>
<td>15,675</td>
</tr>
<tr>
<td>Did Not Sell(^1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>161,879</strong></td>
<td><strong>112,001</strong></td>
<td><strong>273,880</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number Poles</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021 Sales Plan</td>
<td>284,238</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent to Date</td>
<td>96%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) After three attempts at auction.

### Status of FY2022 Timber Sale Program

<table>
<thead>
<tr>
<th>MBF Sawlog</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold as of April 30, 2021</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Currently Advertised</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>In Review</td>
<td>5,195</td>
<td>8,950</td>
<td>14,145</td>
</tr>
<tr>
<td>Did Not Sell(^1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>5,195</strong></td>
<td><strong>8,950</strong></td>
<td><strong>14,145</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number Poles</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2022 Sales Plan</td>
<td>311,195</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent to Date</td>
<td>5%</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Number Poles</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2022 Sales Plan</td>
<td>0</td>
<td></td>
<td>20,600</td>
</tr>
<tr>
<td>Percent to Date</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
April 2021 6-month average price was $283.18.
April 2020 6-month average price was $190.04.
TIMBER SALES STATUS

May 18, 2021

- State, Proposed Sale
- State, Sold Sale
- GNA, Sold Sale
- City
- Field Office
- Interstate Hwy
- US Hwy
- Supervisory Areas

TIMBER SALES Page 5 of 5
Leases and Permits

FISCAL YEAR 2021 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through April 30, 2021

<table>
<thead>
<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>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>EST</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURFACE</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Agriculture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 0</td>
</tr>
<tr>
<td>Assignments</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>-</td>
<td>1 1</td>
</tr>
<tr>
<td>Communication Sites</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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Real Estate

FISCAL YEAR 2021 – REAL ESTATE TRANSACTIONS BY MONTH – through April 30, 2021

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
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<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
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<td>Deeds Granted - Surplus</td>
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</tbody>
</table>

Land Exchange Update

Owyhee  The BLM has responded to the protest letters received. The Department will continue to work with the BLM office to finalize the closing.

Idaho Forest Group  Presenting for final approval at this month’s Land Board.

Deatley  Continuing to move through due diligence and public input process.

Avimor  Waiting for the due diligence to be completed.
## TRUST LAND MANAGEMENT DIVISION

### 2021FYTD GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED

through April 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL RECEIPTS AS OF 4.30.2021</th>
<th>REVENUE EXPECTED BY 4.30.2021**</th>
<th>REVENUE EXPECTED BY 06.30.2021</th>
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<tbody>
<tr>
<td><strong>SURFACE</strong></td>
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<tr>
<td>AGRICULTURE</td>
<td>$455,645</td>
<td>$462,355</td>
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<td>COMMUNICATION SITES</td>
<td>$919,267</td>
<td>$541,284</td>
<td>$548,359</td>
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<td>GRAZING</td>
<td>$1,405,749</td>
<td>$1,209,056</td>
<td>$1,822,510</td>
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<td>RESIDENTIAL</td>
<td>$1,166,786</td>
<td>$1,054,974</td>
<td>$1,450,328</td>
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<tr>
<td>COMMERCIAL ENERGY RESOURCES</td>
<td>$32,685</td>
<td>$12,715</td>
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<tr>
<td>COMMERCIAL INDUSTRIAL</td>
<td>$126,380</td>
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<td>COMMERCIAL MILITARY</td>
<td>$3,000</td>
<td>$62,438</td>
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<td>COMMERCIAL OFFICE/RETAIL</td>
<td>$785,860</td>
<td>$836,723</td>
<td>$997,011</td>
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<tr>
<td>COMMERCIAL RECREATION***</td>
<td>$999,706</td>
<td>$465,919</td>
<td>$470,323</td>
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<tr>
<td><strong>OTHER</strong></td>
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<tr>
<td>CONSERVATION LEASES</td>
<td>$65,281</td>
<td>$103,763</td>
<td>$103,951</td>
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<td>GEOTHERMAL</td>
<td>$(1,000)</td>
<td>$3,000</td>
<td>$5,000</td>
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<td>MINERAL</td>
<td>$85,486</td>
<td>$68,153</td>
<td>$70,492</td>
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<tr>
<td>NON-COMMERCIAL RECREATION</td>
<td>$104,858</td>
<td>$52,129</td>
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<td>OIL AND GAS LEASES</td>
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<td>$13,133</td>
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<tr>
<td>Sub Total</td>
<td>$6,158,685</td>
<td>$4,958,955</td>
<td>$6,153,441</td>
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*LAND SALES/RECORDS     | $177,297                        |                                 |                                 |

*REAL ESTATE SERVICES   | $15,610                         |                                 |                                 |

Grand Total             | $6,351,593                      |                                 |                                 |

* These categories are not included in the annual forecast.

** These figures are based on "normal" timing of revenue/billing throughout the year.

*** $629,163 in Commercial Recreation for the Tamarack Lease covering FY21 and FY22 lease payments.

NOTE: The Department prepares the annual endowment revenue forecast by ASSET CLASS (not by Program). For this table, we have attempted to further breakdown the forecast by program by applying trend data.
Cumulative Trust Land Program Receipts - Earnings Reserve - All Programs excluding Timber
FY2020 - FYTD2021

NOTE: Actual revenue includes real estate services receipts, but the forecast does not.

FYTD Total is 91% of 3 Year Average

<table>
<thead>
<tr>
<th>AVG Prior 3</th>
<th>Annual Target</th>
<th>YTD Target</th>
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<tr>
<td>$6,153,441</td>
<td>$6,351,593</td>
<td>$6,351,593</td>
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</table>

Leases and Permits
Page 3 of 4
Cumulative Trust Land Permanent Fund Revenue/Royalties
(Does NOT include Land Bank Revenue)
FY18 - FYTD21

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

IDL Pending Rules

20-0000-2000F – Omnibus Fee

Status: Senate Resources and Environment Committee – Approved. House Resources and Conservation Committee – Approved.

Budget

H0324 APPROPRIATIONS – ENDOWMENT FUND INVESTMENT BOARD – Relates to the appropriation to the Endowment Fund Investment Board for fiscal year 2022.

Status: LAW.

S1160 APPROPRIATIONS – DEPARTMENT OF LANDS – Relates to the appropriation to the Department of Lands for fiscal year 2022.

Status: LAW.

IDL Legislation

H0023 ENDOWMENT LAND – Repeals existing law relating to the exchange of certain lands.

Status: LAW.

H0024 IDAHO BOARD OF SCALING PRACTICES – Amends existing law to revise provisions regarding board compensation.

Status: LAW.

Other Legislation Being Monitored

Miscellaneous

H0053 PUBLIC NOTICES – Amends and adds to existing law to provide for the electronic publication of public notices by a governmental entity on the entity’s website.

Status: House failed 32-38-0.
**H0061 RECREATIONAL ACTIVITIES** – Amends existing law to increase fees for snowmobile use and to allocate such funds regarding snowmobile use and opportunities.

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

**H0086 TRANSPORTATION** – Amends existing law to provide for revised snowmobile and off-highway vehicle licensing and oversight.

**Status:** LAW.

**H0093 PARKS AND RECREATION** – Amends existing law to revise provisions regarding certain fees.

**Status:** LAW.

**H0101 ATTORNEY GENERAL** – Amends existing law to revise the duties of the Attorney General's office and to provide that state departments and agencies may contract for legal services outside of the Attorney General's office.

**Status:** House passed 54-15-1; Senate State Affairs Committee – hearing pending.

**H0112 SALES TAX** – Adds to existing law to provide a sales tax rebate on certain road construction materials.

**Status:** House passed 64-3-3; Senate Local Government and Taxation Committee – hearing pending.

**H0113 BIG PAYETTE AND CASCADE LAKES** – Repeals and adds to existing law to provide for the Big Payette and Cascade Lakes Water Quality Act.

**Status:** House Environment, Energy and Technology Committee – hearing pending.

**H0118 DEPARTMENT OF LANDS** – Amends existing law to prohibit the Department of Lands from engaging legal counsel from the Attorney General's office.

**Status:** House passed 57-13-0; Senate Resources and Environment Committee – hearing pending.

**H0143 BUILDING CODE ACT** – Adds to existing law to require the Building Code Board to adopt certain International Building Code provisions allowing for the use of mass timber.

**Status:** LAW.
**H0163 TRANSPORTATION** – Amends existing law to increase fees for snowmobile use and to allocate such funds regarding snowmobile use and opportunities and to establish a state snowmobile avalanche fund

**Status:** House Transportation and Defense Committee – hearing pending.

**H0187 FISH AND GAME** – Adds to existing law to provide for motorized use restrictions in recreational access agreements.

**Status:** LAW.

**HCR7 NATURAL RESOURCE ISSUES STUDY** – States findings of the Legislature and authorizes the Legislative Council to appoint a committee to undertake and complete a study of natural resource issues.

**Status:** ADOPTED.

**HCR8 PAYMENTS IN LIEU OF TAXES** – States findings of the Legislature and directs the Committee on Federalism to study the fair taxable value of certain federal lands.

**Status:** ADOPTED.

**S1009 STATE FIRE MARSHAL** – Amends existing law to clarify that the state fire marshal and the state fire marshal’s deputies are considered firefighters for purposes of the Public Employee Retirement System (PERSI) and certain worker’s compensation benefits for first responders.

**Status:** LAW.

**S1020 LANDOWNERS** – Amends existing law regarding the limitation of liability of landowners toward persons entering land for recreational purposes.

**Status:** LAW.

**S1031 STATE DISASTER EMERGENCY ACCOUNT** – Amends existing law to revise provisions regarding the Disaster Emergency Account.

**Status:** Senate State Affairs Committee – hearing pending.

**S1042aa PUBLIC CONTRACTS** – Amends existing law to revise provisions regarding professional service contracts.

**Status:** LAW.
S1090 DEPARTMENT OF LANDS – Amends existing law to revise provisions regarding legal representation of the Idaho Department of Lands.

**Status:** Senate Resources and Environment Committee – hearing pending.
Monthly Report to the Board of Land Commissioners

Investment performance through April 30, 2021

Month: 3.6%    Fiscal year: 26.8%

Global equity markets continued their year-long rally as the economic recovery accelerated, pushing the endowment fund balance past $3.0 billion for the first time. Real GDP grew at a 6.4% annualized rate during the first quarter of 2021. The bulk of the growth came from consumer spending, business capital investment and COVID vaccination efforts. Corporate profits exceeded expectations, employment improved and retail sales expanded significantly. Nonetheless, the Fed has indicated it wants to see more progress on employment and inflation before it slows the pace of quantitative easing. President Biden has proposed spending $1.8 trillion on infrastructure, childcare and a multitude of subsidies for working class families. It has been suggested that the plan would be funded by higher corporate, individual and possibly capital gains taxes, with much of the impact felt by wealthier Americans.

Status of endowment fund reserves
Distributions for FY2021 and FY2022 are well secured.

Significant actions of the Endowment Fund Investment Board
None.

Compliance/legal issues, areas of concern
Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events
EFIB Board Meeting – May 18, 2021
Land Board Audit Committee – August 11, 2021
EFIB Board Meeting – August 12, 2021
Global equity markets continued their year-long rally as the economic recovery accelerated, pushing the endowment fund balance past $3.0 billion for the first time. Real GDP grew at a 6.4% annualized rate during the first quarter of 2021. The bulk of the growth came from consumer spending, business capital investment and COVID vaccination efforts. Corporate profits exceeded expectations, employment improved and retail sales expanded significantly. Nonetheless, the Fed has indicated it wants to see more progress on employment and inflation before it slows the pace of quantitative easing. President Biden has proposed spending $1.8 trillion on infrastructure, childcare and a multitude of subsidies for working class families. It has been suggested that the plan would be funded by higher corporate, individual and possibly capital gains taxes, with much of the impact felt by wealthier Americans.
<table>
<thead>
<tr>
<th>FYTD Manager Returns</th>
<th>Manager Relative Returns Fiscal YTD and 3-Yr Ave*</th>
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</thead>
<tbody>
<tr>
<td>NT S&amp;P 500 Index - U.S Large Cap. Core Equity</td>
<td>NT S&amp;P 500 Index - U.S Large Cap. Core Equity</td>
</tr>
<tr>
<td>Sands Capital - U.S. Large Cap. Growth Equity</td>
<td>Sands Capital - U.S. Large Cap. Growth Equity</td>
</tr>
<tr>
<td>Boston Partners - U.S. Large Cap. Value Equity</td>
<td>Boston Partners - U.S. Large Cap. Value Equity</td>
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<tr>
<td>LSV Asset Mgt. - U.S. Large Cap. Value Equity</td>
<td>LSV Asset Mgt. - U.S. Large Cap. Value Equity</td>
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<tr>
<td>Sycamore Capital - U.S. Mid. Cap Value Equity*</td>
<td>Sycamore Capital - U.S. Mid. Cap Value Equity*</td>
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<tr>
<td>Barrow Hanley - U.S. Small Cap. Value Equity</td>
<td>Barrow Hanley - U.S. Small Cap. Value Equity</td>
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<td>Wellington Global Opp. - Global Equity*</td>
<td>Wellington Global Opp. - Global Equity*</td>
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<td>Fiera Capital - Global Equity*</td>
<td>Fiera Capital - Global Equity*</td>
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<td>WCM Asset Mgt. - International Equity</td>
<td>WCM Asset Mgt. - International Equity</td>
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<td>Schroders QEP - International Equity*</td>
<td>Schroders QEP - International Equity*</td>
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<tr>
<td>Vanguard EAFE Index - Int’l Large Cap. Equity*</td>
<td>Vanguard EAFE Index - Int’l Large Cap. Equity*</td>
</tr>
<tr>
<td>DoubleLine Core Plus*</td>
<td>DoubleLine Core Plus*</td>
</tr>
<tr>
<td>Western Asset Core Full*</td>
<td>Western Asset Core Full*</td>
</tr>
<tr>
<td>State Street Global Advisors - Fixed Income &amp; TIPS</td>
<td>State Street Global Advisors - Fixed Income &amp; TIPS</td>
</tr>
<tr>
<td>UBS Realty Investors Real Estate - Income**</td>
<td>UBS Realty Investors Real Estate - Income**</td>
</tr>
<tr>
<td>Deutsche Asset Management ) ^ Real Estate - Core</td>
<td>Deutsche Asset Management ) ^ Real Estate - Core</td>
</tr>
</tbody>
</table>

*ITD return used when manager has less than 3 years. ^ Most recent valuation.
Semi-Annual Report to the Board of Land Commissioners

Endowment Fund Investment Board
May 18, 2021
Mission:
Endowment Fund Investment Board

Provide outstanding investment management services to our stakeholders consistent with our constitutional and statutory mandates.
## Trust Assets Overseen by the Investment Board
### April 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ Million)</td>
<td></td>
</tr>
<tr>
<td>Land Grant Endowment</td>
<td>$ 3,005.7</td>
<td>72.6%</td>
</tr>
<tr>
<td>State Insurance Fund</td>
<td>$ 951.8</td>
<td>23.0%</td>
</tr>
<tr>
<td>DEQ</td>
<td>$ 125.4</td>
<td>3.0%</td>
</tr>
<tr>
<td>Fish &amp; Game</td>
<td>$ 49.9</td>
<td>1.2%</td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td>$ 5.9</td>
<td>0.1%</td>
</tr>
<tr>
<td>ID. Dept. of Lands</td>
<td>$ 0.7</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 4,139.4</td>
<td>100.0%</td>
</tr>
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</table>
Financial Summary – Land Grant Endowments
Ten Months Fiscal Year-to-Date 2021

- Total investment return was 26.8% for the first ten months of fiscal 2021.
- Compared to the previous year end:
  - Total land grant endowment fund balance increased $609.4 million, or 25.4%, to $3.0 billion.
Years of Reserve and Desired Target Estimate - April 2021

<table>
<thead>
<tr>
<th>Years</th>
<th>Public School</th>
<th>Ag College</th>
<th>Charitable</th>
<th>Normal School</th>
<th>Penitentiary</th>
<th>School of Sciences</th>
<th>Hospital</th>
<th>South</th>
<th>University</th>
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</thead>
<tbody>
<tr>
<td>7.3</td>
<td>8.6</td>
<td>8.3</td>
<td>8.1</td>
<td>9.9</td>
<td>8.7</td>
<td>8.4</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Beneficiary Distributions
1995-2022
(includes special Public School distribution in 2011 of $22M)
School Bond Credit Enhancement Program

EFIB administers a Credit Enhancement program that allows eligible voter-approved school bonds to be issued with a AAA rating (the highest possible) which is above the State’s AA+ rating.

- EFIB will provide credit enhancement on up to $1.2 billion in bonds. Currently, $590 million in outstanding commitments.
- The limit per school district is $40 million.
- Backed by $300 million in Public School Endowment Fund assets.
- AAA rating currently lowers the issuer’s interest rates around 0.05% points annually (material savings on multi-million dollar issues).
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
April 20, 2021

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, April 20, 2021 at the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Secretary of State Lawerence Denney presided in place of Governor Brad Little who was managing other matters of state. The following members were in attendance:

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

For the record, the Governor’s Stage 3 Stay Healthy Order, dated 2/2/2021, allowed for gatherings, including public meetings, of 50 persons or less in physical attendance. Secretary of State Denney and Controller Woolf were present at the physical meeting location with Attorney General Wasden and Superintendent Ybarra joining via Zoom webinar. Governor Little was not able to participate.

Director Miller recognized eight Department employees, from multiple area offices around the state, who were in Boise participating in a quarterly onboarding event. Director Miller stated that due to the COVID-19 situation over the past year, this event has not been held as consistently as it once was. As a reminder, onboarding is an opportunity for new or returning staff to become acquainted with the executive team and other staff in the Boise office; attending a Land Board meeting is a key part of the experience. Secretary of State Denney welcomed everyone and commented that it is almost standing room only at the meeting location.

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue
A. Timber Sales – March 2021
B. Leases and Permits – March 2021

Discussion: None.
Before concluding the Real Estate portion of the report, Director Miller introduced Josh Purkiss as the Department’s new Real Estate Services Bureau Chief. Director Miller noted that Mr. Purkiss started in this position last week and remarked that he is the right man for the job.

Status Updates
C. Legislative Update
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 that the $1.9 trillion American Rescue Plan Act, a significant decline in COVID-19 infections, and accelerating rollout of the vaccine gave investors confidence that the economy will continue to improve and gain strength in the month ahead. As a result of this optimism, there were gains in the portfolio. For the month of March, the portfolio was up 1.6% and up 22.4% fiscal year-to-date. Through close of the markets yesterday [April 19] the fund is up 26.2%. At the end of March the fund had increased over $500 million, and the endowment fund balance is very close to $3 billion today. Mr. Anton noted that greater optimism about the strong rebound and global economic growth heightened inflation fears which drove up global bond yields and caused some challenges for equities, particularly those growth and technology companies whose valuations are really tied to low interest rates. Overall equity performance continues to be very strong but under the surface there is a lot of dynamics taking place. There was a big rotation away from growth and technology that led the market out of the quarantine period last March and now the equity markets are rotating into value stocks particularly those in financials, energy, and retail sectors. As an example of that, Mr. Anton said during the month of March the fund’s large cap manager Sands was down 4.9% whereas two large cap value managers LSV and Boston Partners were up 7.7%. There is a change regarding which companies are starting to perform better in the market. As a result of the inflation fears mentioned earlier, fixed income was down about 0.8% during the month as interest rates continued to climb which left the portfolio near break-even fiscal year-to-date. Since the end of March, interest rates stabilized a bit, certainly a positive thing for fixed income. The yield on the ten-year treasury is about 1.6%. Overall, fiscal year-to-date, the endowment portfolio is having a great year.

Mr. Anton commented that target reserve levels are 6 years for public schools and 7 years for all of the other endowments. As of the end of March, there were 7.1 years of reserves for public schools and between 7.8 and 9.6 years for all of the other endowments. On average, there is one year of extra reserves for all of the endowments; reserves are in a very healthy spot. Mr. Anton stated there were no significant actions by the Investment Board recently. A compensation committee meeting was held on April 7th. A Land Board Audit Committee meeting is planned for May 6th to review the audit plan and schedule for EFIB and the agreed upon procedures for the Department of Lands. The next Investment Board meeting is May 18th. Attorney General Wasden thanked Mr. Anton for the report and his hard work. Attorney General Wasden remarked that reserves are at about the right level and asked if too much is being retained in terms of the balance between reserve funds and the monies available. Mr. Anton explained that the target reserves reflect two important variables. One is the volatility seen in the financial
assets and the other is volatility in timber revenue. The public schools have a broader base of timber, a much larger portion of the land, so there is less volatility; that is the rationale for why public schools are set at 6 years and all of the others are set at 7 years. Every November, after fiscal year end, EFIB reviews any excess reserves relative to targets and at that point the Land Board is provided the opportunity to either retain those or move those into the permanent portion of the endowment fund, which generally has been done. Mr. Anton remarked that current reserves are reasonable given the volatility in the markets that may be experienced over time. Right now the markets feel fairly stable, but historically have had considerable volatility and that is expected to continue in the future. The Land Board could consider bringing public schools to 7 years without a lot of pain; normally it would be difficult, it would take many years to get to that level. Mr. Anton concluded that current reserve levels are reasonable and there is a process for reviewing those annually with the Land Board. It is fortunate that big returns in the financial market resulted in all funds having a year extra in reserves.

**Consent—Action Item(s)**

3. **Approval of Draft Minutes** – March 16, 2021 Regular Meeting (Boise)

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

**Regular—Action Item(s)**

4. **FY2022 Timber Sales Plan** – Presented by David Greenwood, Bureau Chief-Forest Management

**Recommendation:** Direct the Department to proceed with implementation of the FY22 Timber Sales Plan.

**Discussion:** Controller Woolf asked for additional update on the cedar poles plan; how much longer will the pilot program continue and has it been working well. Mr. Greenwood replied when the Department started the cedar sale pilot program it was going to be a two year program. After some analysis it was extended another two years. The Department will continue to use the cedar sale designation for selling the majority of cedar poles; Land Board policy is to sell 20,000 poles on an annual basis. The Department reviewed auction data for the first four years. The cedar sale pilot program included both single-entry and dual-entry methods, and prices to date have shown that the cedar sale average price is similar between the single-entry and dual-entry methods. The non-cedar sale price is slightly higher on dual entries. Mr. Greenwood mentioned there are multiple factors that go into the price per thousand. Many single-entry methods had higher logging costs such as helicopter logging on two sales and greater haul distance to the mill which dragged those prices down some. One of the dual-entry methods had a non-sawlog price of $920/MBF and that was about $550/MBF higher than the next closest price. Weighing all of those effects, the Department will continue to provide cedar sales to attract future bidders; there is a benefit to increase the amount of bidding on those sales.

**Board Action:** A motion was made by Controller Woolf that the Land Board direct the Department to proceed with the implementation of the FY22 Timber Sales Plan. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0.
5. **Approval of Hells Gulch FY22 Timber Sale** — *Presented by Jim Elbin, Division Administrator-Trust Land Management*

**Recommendation:** Approve the Hells Gulch timber sale.

**Discussion:** None.

**Board Action:** A motion was made by Controller Woolf that the Land Board approve the Hells Gulch Timber Sale as recommended by the Department. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0.

6. **Approval of Rocky Point FY21 Timber Sale** — *Presented by Jim Elbin, Division Administrator-Trust Land Management*

**Recommendation:** Approve the Rocky Point timber sale as prepared and presented.

**Discussion:** Controller Woolf inquired how many trees per acre are done for the shelterwood and the seed tree; how many trees are left in those areas. Mr. Elbin responded that for this sale specifically the shelterwood unit is going to have approximately 15 trees, shelterwood is usually 15-30 trees, and the seed tree portion will have 5-7, normally that is about 5-15. Those numbers are trees per acre.

*Editor's note: The Public Comment portion of this item is written in first-person format. This is not a verbatim transcript.*

**Public Comment:**

**Jake Weimer:** Good morning, my name is Jake Weimer and I represent JD Lumber, a small family forestry business based out of Priest River. My family leases a cottage site from IDL adjacent to the proposed timber sale area. I am here today in both a professional and a personal capacity. First, it is well within the State’s rights to harvest state timber as the State sees fit. On the other hand, as a neighbor I would appreciate it if there was not a heavy timber harvest right behind my family’s summer cabin. Other adjacent cabin owners have similar opinions. I am sure you can understand this sentiment just as we can understand IDL’s mission and how important generating timber income is for trust beneficiaries. Part of the timber sale is labeled as a shelterwood harvest, but area foresters mentioned they found few desirable leaf trees so much of the area will actually resemble a light seed tree or even a clearcut harvest. Either way the proposed harvest is definitely not a light selective thinning. I am sure IDL faces public comment every day and it wouldn’t be practical for IDL to change operational plans every time a comment was filed. To seriously engage in a discussion about this timber sale, IDL staff recommended that we come up with a robust alternative proposal. Our guidance from local and regional IDL staff was that the alternative proposal needs to ensure the IDL trust beneficiaries are financially made whole or made better off by changing the timber sale plans. We took that advice. In March, we submitted a JD Lumber land exchange proposal for the non-waterfront portion of the IDL Rocky Point ownership. We believe this proposal achieves all of IDL's stated land exchange criteria and is an exciting opportunity for IDL. The exchange is contingent on the timber on Rocky Point remaining in its current state. If the exchange is successful, we would manage the forest on Rocky Point to reduce disease and fire risk. Since timber income is not our primary objective, we would be able to do this slowly over a number of years, rather than all at once to achieve logging equipment economies of scale and maximum stumpage values. This is not the appropriate forum
for further discussion of an exchange, but I do hope our proposal is seriously considered in conjunction with the approval process of the Rocky Point timber sale. We went through the proper channels and followed the guidance of IDL staff in submitting this land exchange proposal. Throughout the entire process IDL staff have been very open and helpful. This includes staff from Priest Lake, Coeur d’Alene, and here in Boise. I just wanted to say thank you for that and also thank you for your time today.

Craig Lee: Good morning; thanks for letting me speak to you today. My name is Craig Lee and I represent the Rocky Point Forest Park Inc., a non-profit corporation that was formed to explore alternative plans regarding the proposed timber harvest on Rocky Point. We are supporting the land exchange that JD Lumber submitted to IDL regarding the timberlands on Rocky Point. We believe this land exchange will result in the highest and best use of the lands owned by IDL on Rocky Point. JD Lumber’s land exchange includes nearly three times the timber acreage of Rocky Point. If this exchange is accepted JD Lumber plans to place Rocky Point in the IDL’s Forest Legacy Program. As is noted in the Forest Legacy Program, “In order to protect all forest values and the benefits that society derives from forested lands, it is first necessary to maintain those lands as forests.” By enrolling Rocky Point in the Forest Legacy Program, the forests on Rocky Point will be managed in a sustainable fashion forever. These exchanged acres are bordered by 400 acres of timber property that has been part of IDL’s Forest Stewardship Program for more than 30 years. One of the Forest Legacy Program’s objectives is to focus efforts where there is an adjacent forest property of more than 100 acres. This land exchange is a very unique opportunity to increase the income for the endowment program and at the same time increase the land in IDL’s Forest Legacy Program. We think that’s a big win-win for IDL and the citizens for Idaho. We also understand that the IDL owned forest on Rocky Point is past due regarding the removal of diseased and dead trees and the reduction of underbrush fuel for fires. These tasks will be part of the sustainable forest management practices that will be employed by JD Lumber and also supported by the Rocky Point Forest Park group. Rocky Point could be an outstanding example of how IDL can optimize both the financial mandates of the endowment program and the social values that forests provide such as public recreation, scenic, cultural, and historical values. Thanks for your consideration today of an alternative plan for the future of Rocky Point.

Additional Discussion: Secretary of State Denney noted that the Land Board has not seen the proposal, observed that it seems late in the game to be bringing forth a proposal and asked Mr. Elbin if it is a workable option. Mr. Elbin indicated the Department received JD Lumber’s proposal and it is 3 acres to 1, but Department staff does not believe the values of timberland for timberland at that rate meet the land value of the Rocky Point parcels, even with shoreline parcels excluded. Controller Woolf said he appreciated Mr. Weimer and Mr. Lee coming down and presenting and recognized the thoughtful process by which they came up with their proposal. Controller Woolf thanked the Department for its work on this; staff did a great job of reaching out to neighbors. Based on Mr. Elbin’s presentation, the Controller supported the Department recommendation. Attorney General Wasden recognized and complimented the Department for an exceptional job and excellent outreach on this timber sale. Director Miller expressed a similar opinion; timber program staff knows best what needs to be done on this piece of ground; outreach and coordination with the community was top notch.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Rocky Point Timber Sale as prepared and presented. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0.
Information

None

Executive Session

None

There being no further business before the Land Board, at 9:44 a.m. a motion to adjourn was made by Controller Woolf. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0.
STATE BOARD OF LAND COMMISSIONERS
May 18, 2021
Regular Agenda

Subject
Transfer of Land Bank Funds

Question Presented
Shall the Land Board authorize the Treasurer to transfer $31,785,592 from the Land Bank to the appropriate endowments' permanent funds to be invested by the Endowment Fund Investment Board?

Background
At the State Board of Land Commissioners' (Land Board) meeting in May 2016, the Strategic Reinvestment Plan (Plan) was adopted. The Plan provides direction for reinvestment of Land Bank funds resulting from the disposal of residential and commercial endowment land. In July 2017, July 2018, and May 2020 the Land Board reviewed and reaffirmed the Plan.

In July 2018, the Land Board approved the Investment Subcommittee's recommendation to implement Option A from Callan's Asset Allocation and Distribution Study for the reinvestment of Land Bank funds. Option A provides the following direction to the Department:

"Consistent with the Reinvestment Plan, identify potential transactions that meet established hurdle rates and set aside sufficient funds over appropriate time horizon (immediately move money that will either "mature" prior to the transaction or exceeds what is required)."

The direction to "move money" from the Land Board approval of Option A dictates proactive Land Bank transfers to the permanent endowment fund when necessary due to a lack of available timberland transactions.

The Department's Acquisition Business Plan, developed in July 2018 to guide the Department's real estate management and reinvestment of Land Bank funds in alignment with Land Board direction, provides similar guidance:

"...if reinvestment will not be more than the compounding income, IDL should consider an early strategic transfer to the Permanent Fund. A strategic transfer aligns with Callan's recommendation in its Asset Allocation and Distribution Study."

Since 2016, the Idaho Department of Lands (Department) has reinvested approximately $49.57 million in five timberland acquisitions totaling over 36,000 acres of productive timberland. The majority of that reinvestment consists of young timber stands that will support increased endowment timber sale volume over time.
As of March 2021 there was a total Land Bank balance of $143,036,557 (Attachment 1). Funds may remain in the Land Bank for five years before automatically being transferred to the permanent endowment fund. The first automatic transfer will occur in the second quarter of fiscal year 2022 (end of calendar year 2021). Subsequent automatic transfers will then follow on a quarterly basis.

**Discussion**

The Department has worked to source potential transactions for productive timberland and/or to secure legal access to existing endowment lands in alignment with the direction provided by the Land Board in May 2020:

"...focus on acquisitions that increase the total amount of working forests in Idaho, consistent with the Land Board's fiduciary duty."

The availability of potential transactions is more limited than in the past. Strong real estate markets and resulting higher and better use land values have made acquisitions of working timberland more difficult. The transaction pipeline does not justify holding the current total Land Bank balance until the automatic transfers to the permanent endowment fund begin.

The Department believes that transfer of a portion of the Land Bank funds is consistent with Land Board direction and the constitutional mandate to maximize long-term returns. Transfer of $31,785,592 from the Land Bank to the permanent endowment fund would preempt automatic transfers of all FY2022 expiring amounts while ensuring that sufficient funds remain in the Land Bank for possible acquisition of working timberland and/or legal access to existing endowment lands.

The Land Board's Investment Subcommittee is directed, in part, to "Coordinate consideration of investment issues that cross both the endowment fund and endowment lands." The Investment Subcommittee met on May 5, 2021 and unanimously adopted the Department's recommendation to transfer $31,785,592 from the Land Bank to the permanent endowment fund for investment by the Endowment Fund Investment Board.

**Recommendation**

Authorize the Treasurer to transfer $31,785,592 from the Land Bank to the appropriate endowments' permanent funds for investment by the Endowment Fund Investment Board.

**Board Action**

**Attachments**

1. March 31, 2021 Land Bank Aging Report
<table>
<thead>
<tr>
<th>FY Quarter IN</th>
<th>Public School</th>
<th>Normal Schools</th>
<th>State Hospital South</th>
<th>University of Idaho</th>
<th>All Endowments</th>
<th>FY Quarter EXPIRES</th>
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</thead>
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<tr>
<td>2017-04</td>
<td>$-</td>
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<td>-</td>
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| LAND BANK CASH BALANCE (with Interest) | $91,772,629 | $24,312,859 | $21,006,363 | $5,944,706 | $143,036,557 |

ATTACHMENT 1
Subject
Final approval of the Idaho Forest Group land exchange

Question Presented
Shall the Land Board authorize the Department to complete the land exchange with the Idaho Forest Group?

Background
An application for a land exchange was received by the Idaho Department of Lands (Department) in June 2020 from the Idaho Forest Group (IFG). IFG proposes exchanging approximately 100 acres of endowment land located in Athol adjacent to the IFG mill for 320 acres of timberland adjacent to endowment land in Benewah and Bonner counties.

On October 20, 2020, the State Board of Land Commissioners (Land Board) approved the Department's request to proceed with due diligence (Attachment 1).

Over the past seven months, the Department completed the due diligence analysis required for the IFG land exchange. The analysis contains information including financial analysis, encumbrance review, public comment, Member of the Appraisal Institute (MAI) appraisals, review MAI appraisals, and independent third-party analysis completed by a Callan-recommended timberland advisor, Mason, Bruce & Girard (MB&G). The analysis completed by MB&G (Attachment 2) recommends the land exchange and notes, "I recommend that the State of Idaho complete the proposed land exchange because of the clear benefits to the State Endowment...."

Discussion
Existing Endowment Land
The endowment land proposed for the exchange consists of 100 acres located adjacent to the city of Athol in Kootenai County. Of that, 30 acres are encumbered with a 100'-wide Spokane International Railway Company and gas line. Five legal parcels are part of the exchange, including a 0.136-acre parcel that is non-contiguous to the approximately 100-acre block (Attachment 3).

The endowment land is primarily lodgepole pine and is considered to be a low productivity site for timberland. Current rotations of timber harvest are 80-100 years, and because the parcel is located close to a city, timber management may be impacted. In addition, the current endowment land is not part of a larger block, but the private land that would be received in the exchange will add to existing blocks of endowment land.
An appraisal completed by Steve Hall and Associates estimated the market value of the Athol land to be worth an aggregate value of $1,215,500. The majority of value, $1.02 million, was attributed to the 69.70 acres of endowment land that are not encumbered with easements, while the remaining acreage had a market value of $195,000. The appraiser notes the highest and best use for the majority of the parcel is for residential development with small portions of light industrial as an assemblage to adjacent parcels.

During the due diligence, the Department met with the impacted county commissioners at Benewah, Kootenai, and Bonner counties. Benewah and Bonner county commissioners took a neutral stance on the exchange but did cite their concerns regarding the loss of tax revenue. Kootenai County commissioners supported the exchange because of the increase in the tax base.

The Department also contacted all the surrounding landowners to inform them of the exchange. The private landowners to the west of the endowment property submitted an email and mentioned, "IDFG [IFG] has adequately answered all our questions and concerns, and we therefore heartily support the proposed land exchange with them." The attorney for the property owner to the south of the endowment land submitted a letter opposing the exchange (Attachment 4).

**IFG Proposed Land**

The IFG land proposed in the exchange consists of four properties totaling 320 acres located in Bonner and Benewah counties (Attachment 5). The aggregate appraised value for the four properties is $1,205,000. Individual property characteristics and due diligence are broken down in the following paragraphs.

**Bodie**

The Bodie property consists of 80 acres located in Bonner County (Attachment 6), was appraised for $200,000 or $2,500 an acre, and has a small seasonal creek. Bodie's timber was appraised at $120,967 and is surrounded by a block of 3,200 acres of endowment land. Acquiring Bodie reduces the cost to manage the surrounding land for timber and adds productive timberland to the Public School Endowment. During the due diligence review, no concerns were identified while analyzing the Environmental Site Assessment (ESA) and the title report.

**North Fork**

The 40-acre parcel known as North Fork is filled with merchantable timber and is surrounded by a 75,000-acre block of endowment land located in Bonner County (Attachment 7). The standing timber was appraised for $437,000, and a residual land value was added for a total appraised value of $463,000 or $11,575 per acre. Similar to Bodie, the North Fork is an inholding which, if acquired, will reduce the cost to manage the surrounding endowment land. During the review of due diligence, no concerns were identified in the ESA and title report.
Titus

The Titus parcel consists of 40 acres located in Benewah County (Attachment 8). Titus has the lowest appraised value of the four properties at $140,000, and the lowest timber productivity. However, Titus is surrounded on three sides by endowment land, reducing the costs to manage the adjacent endowment land, and it has the potential to develop a good rock pit. During the review of due diligence, no concerns were identified in the ESA and title report.

Happy Fork

The Happy Fork parcel is located approximately nine miles west of Sandpoint and is surrounded by endowment land on three sides (Attachment 9). The parcel will add to the same 75,000-acre block of endowment land as the North Fork parcel, and it is the largest of the four parcels considered at 160 acres. There is a Class II creek that runs through the property, which creates some challenges for timberland management. Overall, the property has high site productivity. The property was appraised for $402,000, or $2,512 an acre, with $305,000 attributed to the timber value. During the review of due diligence, no concerns were identified in the ESA and title report.

In conclusion, the IFG land exchange will benefit the Public School Endowment by increasing the timberland base, reduce management costs by blocking up endowment land, dispose of underperforming timberland, and increase the return on investment and timber output.

Recommendation

Approve the exchange and direct the Department to complete and close the IFG land exchange.

Board Action

Attachments

1. October 20, 2020 Approved Memo
2. MB&G Memo Recommending the Land Exchange
3. Athol Endowment Land Map
4. Letters from Neighboring Property Owners
5. Map of IFG Land Proposed for the Exchange
6. Bodie Map
7. North Fork Map
8. Titus Map
9. Happy Fork Map
Subject
Approval to proceed with due diligence for Idaho Forest Group land exchange

Question Presented
Shall the Land Board authorize the Department to proceed with due diligence for the proposed land exchange?

Background
In June 2020, the Idaho Department of Lands (Department) received an application for a land exchange (Attachment 1) from the Idaho Forest Group, LLC (IFG). IFG proposes exchanging four parcels of land it owns for three parcels of endowment land located adjacent to IFG’s mill in Athol, Kootenai County. A vicinity map shows the location of all the parcels involved in the proposed land exchange (Attachment 2). Area staff and Department leadership have reviewed the proposal and believe it warrants further formal evaluation via the due diligence process.

The Public School endowment land proposed for exchange consists of three separate tax parcels which total approximately 96.5 acres. The endowment parcels are located in Section 16 of Township 53N, Range 3W, Kootenai County, in the town of Athol. Two of the parcels are contiguous and include portions that extend along the railroad right of way outside of the otherwise rectangular-shaped parcels of land. The third tax parcel is nearby. It is a small triangular-shaped parcel containing approximately 0.14 acres (Attachment 3).

The IFG properties consist of 320 acres total; 280 acres in Bonner County (one 160-acre parcel, one 80-acre parcel, and one 40-acre parcel) and one 40-acre parcel in Benewah County, all adjacent to existing endowment timberlands (Attachment 4).

Discussion
This proposed land exchange would improve the productivity, improve long-term value, and block up endowment forestland assets.

Specific benefits of the exchange include:

- Increase Primary Base: The Department's endowment forestlands are categorized as either primary or secondary base. Primary base forestlands are productive, accessible and manageable; whereas secondary base forestlands are typically steeper (rocky, shallow soils) and less productive. The Athol endowment property consists of 76 acres of secondary base and 20.5 acres of non-forest, due to the poor soils and slow
growing timber. The 320 acres of IFG’s property is 75% primary base, due to the productive soils and the ability to grow more diverse and higher value timber.

- **Urban Interface:** The endowment property is adjacent to the City of Athol, has an increased recreational component that complicates management, and has reduced timber production. IFG’s property is located away from paths of development and is mostly surrounded by endowment timberlands.

- **Return on Asset:** While a return on asset (ROA) cannot be finalized until due diligence work is completed, it is anticipated that the long-term ROA on the IFG property as timberland will be higher than the Athol endowment property since it is more productive in growing trees.

- **County Tax Assessments:** As a result of the proposed exchange, there would be an estimated $200 reduction to Benewah County, and a $700 reduction to Bonner County tax rolls due to the State's exemption from property taxes. As part of the due diligence process, the Department will seek comments from the Benewah County and Boundary County Commissioners. Conversely, Kootenai County would add a parcel to its tax roll, forecasted to generate approximately $600 per year.

Upon Land Board approval, the next steps for the land exchange would be for the Department to perform due diligence consistent with the following (also listed in Attachment 5):

- Order a preliminary title report to review the legal descriptions and the current exceptions to title on the properties.
- Complete a Phase 1 Environmental Site Assessment to review the environmental history of the property. The report is intended to identify actual and potential problems based on a review of historical documentation, regulatory agency databases, and a physical on-site investigation.
- Verify the properties have legal access.
- The properties with merchantable timber will require a timber cruise to determine the species, quality, and quantity of harvestable timber. Sufficient data must be obtained to create a statistically reliable sample for the timber modeling.
- Review the existence of any endangered species at the site. The presence of threatened/endangered species can significantly reduce the value of a property.
- A real estate appraisal will be completed by a Member of the Appraisal Institute (MAI) appraiser to determine the market value for the property. Appraisals will be reviewed by a second MAI appraiser to verify the report meets Uniform Standards of Professional Appraisal Practice (USPAP).
- Review the recorded surveys, verify survey pins are placed at the corners, and determine if there is a need to order a survey.

Based on the review of the due diligence, Department leadership will approve or terminate the land exchange for further consideration. If Department leadership approves, it will be brought back to the Land Board for final approval to proceed.
**Recommendation**

Approve proceeding with due diligence for the IFG land exchange proposal.

**Board Action**

A motion was made by Attorney General Wasden that the Land Board adopt and approve the Department's recommendation that is approve proceeding with due diligence for the Idaho Forest Group land exchange proposal. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

**Attachments**

1. IFG land exchange application
2. IFG exchange vicinity map
3. Endowment parcel map
4. IFG parcel maps
5. Due diligence checklist
To: Joshua Purkiss, Real Estate Services Bureau Chief, Idaho Dept. of Lands
From: Roger Lord, Timberland Advisor to IDL
Date: April 30, 2021
Re: Review and Recommendations Regarding the Proposed Athol Land Exchange

In accordance with the Scope of Work you provided to me, I have performed a review of due diligence documents related to the proposed Athol Land Exchange between the Idaho Department of Lands (IDL) and Idaho Forest Group (IFG).

The proposed value-for-value exchange will trade a 100.6-acre unimproved timbered property near the town of Athol for four IFG-owned rural timberland parcels totaling 320.0 acres in Bonner and Benewah Counties (Table 1). The appraised value of the IDL parcel was determined to be $1,215,500. The aggregate of the appraised values of the four IFG parcels was determined to be $1,205,000.

<table>
<thead>
<tr>
<th>Owner</th>
<th>Parcel</th>
<th>County</th>
<th>Gross Acres</th>
<th>Market Value</th>
<th>$/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of ID</td>
<td>Athol</td>
<td>Kootenai</td>
<td>100.63</td>
<td>$1,215,500</td>
<td>$12,079</td>
</tr>
<tr>
<td>IFG</td>
<td>Bodie</td>
<td>Bonner</td>
<td>80.00</td>
<td>$200,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>IFG</td>
<td>North Fork</td>
<td>Bonner</td>
<td>40.00</td>
<td>$463,000</td>
<td>$11,575</td>
</tr>
<tr>
<td>IFG</td>
<td>Titus</td>
<td>Benewah</td>
<td>40.00</td>
<td>$140,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>IFG</td>
<td>Happy Fork</td>
<td>Bonner</td>
<td>160.00</td>
<td>$402,000</td>
<td>$2,513</td>
</tr>
<tr>
<td>IFG</td>
<td>Combined</td>
<td>Bonner</td>
<td>320.00</td>
<td>$1,205,000</td>
<td>$3,766</td>
</tr>
</tbody>
</table>

I reviewed the following documents:

- Appraisals of each of the five parcels by Steven Hall, MAI, of Hall-Widdoss & Company, P.C.¹
- Review appraisals of each of the primary appraisals by Ruby Miles Stroschein, MAI, of Gem Valley Appraisal Services.
- Title reports for each of the four IFG properties, including any boundary surveys and exceptions documents included therein.
- Five easement documents pertaining to easements burdening the State of Idaho’s Athol property.

¹ Note: I have not performed USPAP-compliant reviews of the primary appraisals. This was the purpose of the reviews completed by Stroschein.
In addition, I briefly inspected the Athol Parcel in person on April 21, 2021 and viewed the four IFG exchange parcels using Google Earth and onXMap software.

Based on my review of the documents and evaluation of the proposed exchange, I recommend that the State of Idaho complete the proposed land exchange. The rationale for this recommendation is as follows:

- **The IDL Athol Parcel’s market value is significantly higher than its economic value for long-term timber production.**
  - The highest and best use for the majority of the parcel, as determined by the appraiser, is for residential development. Small portions are most suited for light industrial as an assemblage to adjacent parcels.
  - As a result, continued use of this high-value land for commercial timber production will result in an exceedingly low financial rate of return, relative to the asset value, to the State Endowment.
- **The IDL Athol Parcel itself has significant drawbacks for timber production.**
  - Only about 70 of the 101 acres is actually usable for timber production due to the encumbrance of the 24.9-acre railroad right-of-way on the eastern border of the property as well as road and underground pipeline easements.
- **The IDL Athol Parcel will be increasingly difficult to manage for timber production as the town of Athol grows around it.**
  - This relatively small parcel is already surrounded on three sides by residential developments of various densities, State Highway 54, and on the east side by the IFG finger-jointing plant.
  - Athol has been a locus of growth in the last few years, and this is likely to continue, if not accelerate, in the future. Residential and commercial development densities are likely to increase surrounding to the property.
  - At some point, commercial timber production is likely to become untenable as timber harvest activities become incompatible with adjacent land uses.
- **The proposed exchange allows the State to leverage the high market value of the IDL Athol Parcel to “grow” its productive timberland base and improve future cash flows (Table 2).**
  - The State Endowment cannot benefit from the growth in the land value of the Athol Parcel by holding it for the long-term for timber production.
  - Through the exchange, the State will acquire more than three times the Athol Parcel’s gross acreage – and almost four times the net productive acreage – for long-term timber production.
  - Net of roads and riparian zones, 82% of the acquired Exchange Parcels’ acreage (262± acres) is available for timber production versus only 69% (70± acres) on the Athol Parcel.
  - The IFG exchange parcels currently carry nearly 19 times as much timber volume as the Athol Parcel, which primarily consists of young regeneration.
  - The acre-weighted average site index of 108 feet of the IFG parcels is comparable to the Athol Parcel’s site index of 106 feet, indicating that acre for acre, the IFG Exchange Parcels are at least as productive as the Athol Parcel.
As a result of the additional acreage and lower land value, the IFG Parcels received through the exchange have the capacity to generate much higher financial returns to the Endowment over the long-term.

- **Acquisition of the IFG Exchange Parcels also benefits the State Endowment by blocking up ownership.**
  - Timberland that is consolidated, or “blocked up” in large, contiguous blocks is more efficient to manage and results in lower costs for administration, surveying, road sharing, security, and other “neighbor issues.” It also makes access more efficient and easier to plan.
  - The State would benefit in the exchange by increased consolidation of its ownership.
    - The Titus Parcel is surrounded on three sides by existing state lands. The acquisition would block up the entire section under state ownership.
    - The Bodie parcel is an inholding surrounded by State lands on all sites. The acquisition eliminates this inholding.
    - The North Fork Parcel is an inholding in a very large contiguous block of State lands west of Ponderay. Acquisition eliminates this inholding.
    - The Happy Fork Parcel is surrounded on three sides by State lands. Acquisition eliminates this partial inholding.
  - At the same time, the State eliminates a relatively small and isolated State-owned parcel by divesting of the relatively isolated Athol Parcel.

- **The lands acquired through the exchange also provides Idahoans with improved recreational opportunities.**
  - The lands acquired in the exchange improve both the quantity and quality of outdoor recreational opportunities.
  - The urban-oriented Athol Parcel provides limited recreational values in comparison to the IFG Exchange Parcels.

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Gross Acres</th>
<th>Net Acres</th>
<th>% Productive</th>
<th>Site Index</th>
<th>Net Mbf</th>
<th>Mbf/Net Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athol</td>
<td>100.63</td>
<td>68.96</td>
<td>69%</td>
<td>106</td>
<td>122</td>
<td>1.8</td>
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<tr>
<td>Bodie</td>
<td>80.00</td>
<td>77.10</td>
<td>96%</td>
<td>112</td>
<td>548.0</td>
<td>7.1</td>
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<tr>
<td>North Fork</td>
<td>40.00</td>
<td>40.00</td>
<td>100%</td>
<td>117</td>
<td>1,080.3</td>
<td>27.0</td>
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<tr>
<td>Titus</td>
<td>40.00</td>
<td>32.57</td>
<td>81%</td>
<td>69</td>
<td>79.0</td>
<td>2.4</td>
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<tr>
<td>Happy Fork</td>
<td>160.00</td>
<td>111.92</td>
<td>70%</td>
<td>113</td>
<td>564.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Combined</td>
<td>320.00</td>
<td>261.59</td>
<td></td>
<td>108</td>
<td>2,271.3</td>
<td>8.7</td>
</tr>
</tbody>
</table>

**Conclusion**

I recommend that the State of Idaho complete the proposed land exchange because of the clear benefits to the State Endowment that would result, as detailed herein.
Hello Mr. Purkiss.

I am writing on behalf of Greystone Manor Homeowners’ Association, in response to your letter of March 9 regarding the proposed land exchange with Idaho Forest Group. We represent the residential homeowners on Greystone Rd. in Athol, whose land abuts the proposed 75 acres involved in the exchange in Athol Idaho.

We have met with managers of Idaho Forest Group (IDFG) to discuss any concerns we as neighboring property owners have. IDFG has adequately answered all our questions and concerns and we therefore heartily support the proposed land exchange with them. We believe them to be both conscientious and well-intentioned corporate citizens and neighbors; so we welcome them as new owners of the 75 acres abutting our properties.

Thank you for allowing us the opportunity to comment on this proposed exchange. If you have any questions regarding our support of this exchange, feel free to reach out to us.

Sincerely,

Christina & James Blazin (30020 N. Greystone Rd., Athol; 208-660-6996)
Gary & Linda Farnham
Connie Klim
Michelle & Steve Thurman
April 23, 2021

Via email to:

State Board of Land Commissioners
Idaho Department of Lands
P. O. Box 83720
Boise, ID 83720-0050
jpurkiss@idl.idaho.gov

Re: Comment Regarding Proposed Land Exchange between Idaho Department of Lands (IDL) and Idaho Forest Group, LLC (IFG)

Dear Commissioners,

I represent Mr. Jude Doty, who owns property at 5200 E. Highway 54, Athol, Idaho (Doty Property). The enclosed map depicts Mr. Doty’s property, as well as the IDL parcels subject to this proposed land exchange, and the property owned by IFG. Mr. Doty objects to the proposed land exchange unless the terms of the exchange include granting him an express access easement for ingress and egress to his property.

As you can see on the exhibit, two railroad tracks cross East Highway 54 and proceed from the north to the south. The westernmost track separates the IFG properties from the IDL land that is the subject of this proposed exchange. Directly to the west of the western railroad track lies the road over which Mr. Doty and his predecessors in interest have accessed the Doty Property since at least the 1970’s, if not before that date (Road).

Currently, IFG possesses an easement to use the Road, which it obtained from IDL in 2019. An easement is “the right to use the land of another for a specific purpose.” Hughes v. Fisher, 142 Idaho 474, 480, 129 P.3d 1223, 1229 (2006). “[O]ne cannot have an easement in his own lands.” Zingiber Inv., L.L.C., v. Hagerman Highway Dist., 150 Idaho 675, 681, 249 P.3d 868, 874 (2011) (quoting Gardner v. Fliegel, 92 Idaho 767, 771, 450 P.2d 990, 994 (1969). Should this Commission approve the proposed land exchange, IFG’s easement will be extinguished. If this happens, this Commission will place IFG in the position to preclude Mr. Doty from accessing his property. As such, Mr. Doty might have no alternative but to sue both IFG and IDL in a quiet title action, in order to guarantee that his parcel is not landlocked.
Should the terms of the land exchange include an express easement benefiting the Doty Property, Mr. Doty will withdraw his objection. Thank you for your anticipated cooperation.

Very truly yours,

[Signature]

Shawn M. Glen  
Attorney at Law  
Macomber Law, PLLC

cc: client  
file

Enclosure: Exhibit Map
IDL Parcels, subject to land exchange agreement with Idaho Forest group

Idaho Forest Group Parcels

Doty Parcel

Railroad easement, used by Idaho Forest Group to access 83+ acres south of this map

Exhibit—Doty Comment
Ms. Jacobsen,

Please pass on my comments regarding the pending Idaho Forest Group land exchange scheduled for hearing with the Land Board tomorrow morning.

I believe that the state of Idaho's interests are not well served by this land exchange. It appears that the appraisal significantly undervalued the property and therefore the state of Idaho is on the receiving end of what is colloquially called "a bad deal."

**I am prepared to offer the Department of Lands a far more favorable land exchange.** I could offer the department 183.7 acres of forest lands (much more than IFG is providing in the exchange), plus an additional $1,000,000 cash.

If this property was being offered in an auction I would just outbid Idaho Forest Group. Given that it is a land exchange it becomes a bit more difficult to maximize the best interest of the state because of the non-fungible consideration and opaque valuations. The general principle should still hold that the public's interests must be protected by accepting the most favorable exchange offer.

Approving the land exchange with Idaho Forest Group would not be in the best interest of the people of the state of Idaho. At the very minimum, the approval should be delayed until competing offers can be properly evaluated. If given more time, I could also secure an independent appraisal from a licensed appraiser to show that the current appraisal has significantly undervalued the state's property.

Sincerely,
Zach Doty
STATE BOARD OF LAND COMMISSIONERS
May 18, 2021
Regular Agenda

Subject
Omnibus Rulemaking – Adoption of Temporary Non-Fee Rules

Question Presented
Shall the Land Board adopt conditional temporary non-fee rules, to become effective on July 1, 2021, only if the existing rules are not extended pursuant to the Idaho Administrative Procedure Act?

Background
All existing administrative rules in Idaho expire each year on July 1 unless reauthorized by the legislature. In the event the Idaho Legislature does not reauthorize the existing non-fee administrative rules, the governor and his staff have directed all state agencies to adopt conditional temporary rules (Attachment 1).

Executive administrative action is required to minimize the impact on the public and ensure existing non-fee rules remain in effect. The Land Board has already taken action to ensure thecontinuity of administrative fee rules.

Discussion
All agencies are required to submit an omnibus Notice of Adoption of Temporary Rules to the Division of Financial Management (DFM) by June 4, 2021. The attached draft notice lists the three chapters of existing non-fee rules under IDAPA 20, rules of the Idaho Department of Lands (Attachment 2). These rules are necessary to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens.

If approved by the Land Board, the Department will submit the notice of adoption of temporary rules to DFM for publication in a special edition of the Idaho Administrative Bulletin. The temporary rules will have an effective date of July 1, 2021.

Recommendation
Adopt as conditional temporary rules all of the Department’s non-fee administrative rules, as set forth in Attachment 2. The rules will become effective on July 1, 2021, only if the existing rules are not extended pursuant to the Idaho Administrative Procedure Act.

Board Action
Attachments

1. April 27, 2021 Memo from DFM: Process to Reauthorize Non-Fee Rules Beyond July 1
2. Notice of Omnibus Rulemaking – Adoption of Temporary Rules (draft)
MEMORANDUM

TO: Rules Review Officers/Agency Rules Contacts

FROM: Alex J. Adams

SUBJECT: Process to Reauthorize Non-Fee Rules Beyond July 1

In the event the Idaho Legislature does not reauthorize the existing non-fee administrative rules as set forth in Section 67-5292, Idaho Code, this will require executive administrative action to ensure existing rules remain in effect in FY22. The following lays out the Governor’s plan to accomplish this process. This memo only applies to the reauthorization of the Non-Fee Rules.

The Governor has directed DFM and all state executive agencies to exercise necessary executive authority to minimize the impact on state agencies, and the public most importantly. The efficient operation of state government is a priority to Governor Little, and the people of Idaho expect it.

Fee Rules: State agencies/Boards/Commissions have already taken action to ensure the Fee rules will remain in effect. The Fee rules have been adopted as temporary rules and will become effective upon sine die of the 2021 Legislative Session. The Fee rules will be published in a future administrative bulletin on or around July 21, 2021. Therefore, no additional action is necessary from agencies on fee rules.

Non-Fee Rules: DFM will begin the process of re-publishing existing non-fee rules by IDAPA chapter, using the engrossed rules updated for 2021 legislative action. Rules will be published in a special edition of the Idaho Administrative Bulletin on or around July 21, 2021. The temporary rules will have an effective date of July 1, 2021, to ensure there is no gap with the expiring rules.

1. Agencies must submit a completed Notice of Adoption of Temporary Rule form to DFM by June 4th, 2021.
   - A template for adoption of Temporary Rule Notice is enclosed for the non-fee rules.
   - Rules should be adopted as currently codified along with any amendments submitted to the 2021 Legislature with the following conditions:
     - Technical corrections or minor edits necessitated by legislative action.
     - Specific changes directed during legislative review that would have otherwise taken effect under the Administrative Procedures Act.
     - COVID-19 changes that have been vetted in public (telephonic) meetings.
   - Allow Rule to Expire - If an agency intends to eliminate a rule, the rule will expire by default on June 30th, 2021. No ARRF is needed and no legislative review of the chapter will occur during the 2022 session.
Please reach out to DFM at your earliest convenience if you have changes to make to your temporary rules.

Plan to submit such minor edits at the proof stage on the official documents provided by DFM.

The non-fee temporary rulemaking will be published as 1 single omnibus docket for each agency.

No ARRF will be required.

Please submit completed Temporary Notices to adminrules@dfm.idaho.gov by June 4th, 2021.

2. If rulemaking authority is vested in a board or commission – not agency staff – the board or commission must convene to properly authorize the rulemaking action. This is required by law. Please work closely with your attorney to ensure the Notice is properly authorized.

   • The meeting must be scheduled in a timeframe to submit a completed Notice to DFM prior to the June 4th deadline.

   • The motion should be made as follows:

      “Pursuant to Section 67-5226, Idaho Code, the Governor has found that temporary adoption of this rule is appropriate to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens.

      These rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those laws.

      The expiration of these rules without due consideration and processes would undermine the public health, safety, and welfare, of the citizens of Idaho and deprive them of the benefit intended by these rules.

      Therefore, we are adopting this temporary rule to be effective upon July 1, 2021. The approval is conditional and will only become effective if the rules are not otherwise approved or rejected by the Legislature and/or not extended pursuant to the Idaho Administrative Procedure Act, including sections 67-5291 and 67-5292, Idaho Code.”

3. For these temporary rules only, agencies do not have to accept written comments pursuant to 67-5222(a) as its requirement and deadline applies to “publication of the notice of proposed rulemaking in the bulletin” (emphasis added).

4. Each agency must keep all records of this rulemaking process for at least two (2) years pursuant to Idaho Code § 67-5225. Please ensure the record is thorough and complete.

Looking Ahead: Proposed and Pending 2021 Omnibus Rulemaking / Zero-Based Rulemaking

We have an immediate focus on ensuring necessary non-fee rules continue in full force and effect starting July 1. Later this week, we will share additional information on the process for other rulemaking efforts, including the kickoff of zero-based rulemaking.
IDAPA 20 – IDAHO DEPARTMENT OF LANDS

DOCKET NO. 20-0000-2100

NOTICE OF OMNIBUS RULEMAKING - ADOPTION OF TEMPORARY RULES

EFFECTIVE DATE: The effective date of the temporary rules being adopted through this omnibus rulemaking as listed in the descriptive summary of this notice is July 1, 2021.

AUTHORITY: In compliance with Section 67-5226, Idaho Code, notice is hereby given this agency has adopted temporary rules. The action is authorized pursuant to Sections 38-115, 38-132, 38-402, 38-1304, 58-104, 58-105, and 67-5201 et seq., Idaho Code.

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of its supporting reasons for adopting the temporary rules:

This temporary rulemaking adopts the following chapters under IDAPA 20:

- 20.01.01, Rules of Practice and Procedure Before the State Board of Land Commissioners
- 20.02.01, Rules Pertaining to the Idaho Forest Practices Act
- 20.04.01, Rules Pertaining to Forest Fire Protection

TEMPORARY RULE JUSTIFICATION: Pursuant to Sections 67-5226(1)(a), (b), and (c), Idaho Code, the Governor has found that temporary adoption of the rules is appropriate for the following reasons:

These temporary rules are necessary to protect Idaho’s natural resources, the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens. These temporary rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those laws. The expiration of these rules without due consideration and processes would undermine the public health, safety and welfare of the citizens of Idaho and deprive them of the benefit intended by these rules.

FEE SUMMARY: This rulemaking does not impose a fee or charge.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning the temporary rule, contact Scott Phillips at (208) 334-0294.

DATED this 4th day of June, 2021.

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