

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: February 15, 2022

Regular Meetings

2/4/2022	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
2/4/2022	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
2/4/2022	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
2/4/2022	Meeting Notice emailed/faxed to list of media and interested citizens who have requested such notice five (5) or more calendar days before meeting.
2/4/2022	Meeting Notice posted electronically on IDL's public website www.idl.idaho.gov five (5) or more calendar days before meeting.
2/10/2022 2/11/2022	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting. Revised agenda posted.
2/10/2022 2/11/2022	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting. Revised agenda posted.
2/10/2022 2/11/2022	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting. Revised agenda posted.
2/10/2022 2/11/2022	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting. Revised agenda posted.
2/10/2022 2/11/2022	Agenda posted electronically on IDL's public website www.idl.idaho.gov forty-eight (48) hours before meeting. Revised agenda posted.
11/30/2021	Land Board annual meeting schedule posted – Boise Director's office, Coeur d'Alene staff office, and IDL's public website www.idl.idaho.gov

Special Meetings

	Meeting Notice and Agenda posted in a prominent place in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted in a prominent place in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Meeting Notice and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted electronically on IDL's public website www.idl.idaho.gov twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Meeting Notice or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

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

	Meeting Notice and Agenda posted in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted electronically on IDL's public website www.idl.idaho.gov twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.


Renee Jacobsen
Recording Secretary

February 11, 2022

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING FEBRUARY 2022

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, February 15, 2022 in the **Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

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

*Masks must be worn at all times in Boise City Hall.**

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

Meeting will be streamed live via IPTV: <https://www.idahoptv.org/shows/idahoinsession/> and via YouTube: <https://youtu.be/sAohgA14lxU>

Members of the public may register to attend the Zoom webinar through this link: https://idl.zoom.us/webinar/register/WN_HRHcVv-5SQ6nU88JFSP2HA

*The Governor's [Stage 4 Stay Healthy Guidelines](#) dated 5/11/2021 allows for public meetings of any size with adherence to physical distancing and sanitation requirements. Individuals are 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 guidance regarding face coverings and social distancing.

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

¹ www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/ AND www.cdhd.idaho.gov/dac-coronavirus



Idaho State Board of Land Commissioners

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State Board of Land Commissioners Regular Meeting

February 15, 2022 – 9:00 AM (MT)

Revised Final Agenda

Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise

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

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1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – January 2022
- B. Leases and Permits – January 2022

Status Updates

- C. Legislative Summary
- D. Resource Protection and Assistance Report

¹ www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/ AND www.cdhd.idaho.gov/dac-coronavirus

Consent—Action Item(s)

2. **Results of January 6, 2022 Minerals Lease Live Auctions** – *Presented by Mike Murphy, Program Manager-Minerals Leasing*
3. **Disclaimer of Interest Request DI700262–French Quarter Farms LLC, Snake River** – *Presented by Loren Moore, Program Manager-Navigable Waterways*
4. **Approval of Draft Minutes** – January 18, 2022 Regular Meeting (Boise)

Regular—Action Item(s)

5. **Endowment Fund Investment Board Report** – *Presented by Chris Anton, EFIB Manager of Investments*
 - A. Manager's Report
 - B. Investment Report
 - C. Asset Allocation Study Update
6. **Negotiated Rulemaking IDAPA 20.03.17, Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands** – *Presented by Mick Thomas, Division Administrator-Minerals, Navigable Waterways, Oil and Gas*
7. **Omnibus Rulemaking – Adoption of Temporary Rules (Fee and Non-Fee)** – *Presented by Scott Phillips, Policy and Communications Chief*

Information

8. **Good Neighbor Authority (GNA) and Shared Stewardship Update** – *Introduction by Craig Foss, State Forester and Division Administrator-Forestry and Fire; Presented by Jon Songster, Bureau Chief-GNA, and Ara Andrea, Idaho Shared Stewardship Coordinator*
9. **Morrill Act/Use of Caldwell Property Disposition Funds** – *Presented by Office of the Attorney General, and Mark McGuire, Associate Dean of the College of Agriculture and Life Sciences, University of Idaho*

Executive Session

None



Idaho Statutes

Idaho Statutes are updated to the web July 1 following the legislative session.

TITLE 74

TRANSPARENT AND ETHICAL GOVERNMENT

CHAPTER 2

OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS – WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1)(a) and (b), Idaho Code.

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

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

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

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022
Trust Land Revenue

Timber Sales

During January 2022, the Department of Lands sold one endowment timber sale and one GNA timber sale at auction. The endowment net sale value represents a 23% up bid and the GNA net sale value represents a 6% up bid over the advertised value. Both sales had competitive bidding. One endowment sale, Goat Creek Salvage, did not sell at auction. The sale will be reappraised and offered for a second auction at a later date.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlogs MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
South Slope Pine	POL	5,345			\$1,182,922.00	\$1,448,591.40	\$271.02	IFG Timber LLC
Endowment		5,345	0	0	\$1,182,922.00	\$1,448,591.40	\$271.02	
Sand Mountain GNA Decks		520			\$ 231,369.00	\$ 245,440.00	\$472.00	IFG Timber LLC
Non-Endowment		520	0	0	\$ 231,369.00	\$ 245,440.00	\$472.00	

IDAHO DEPARTMENT OF LANDS

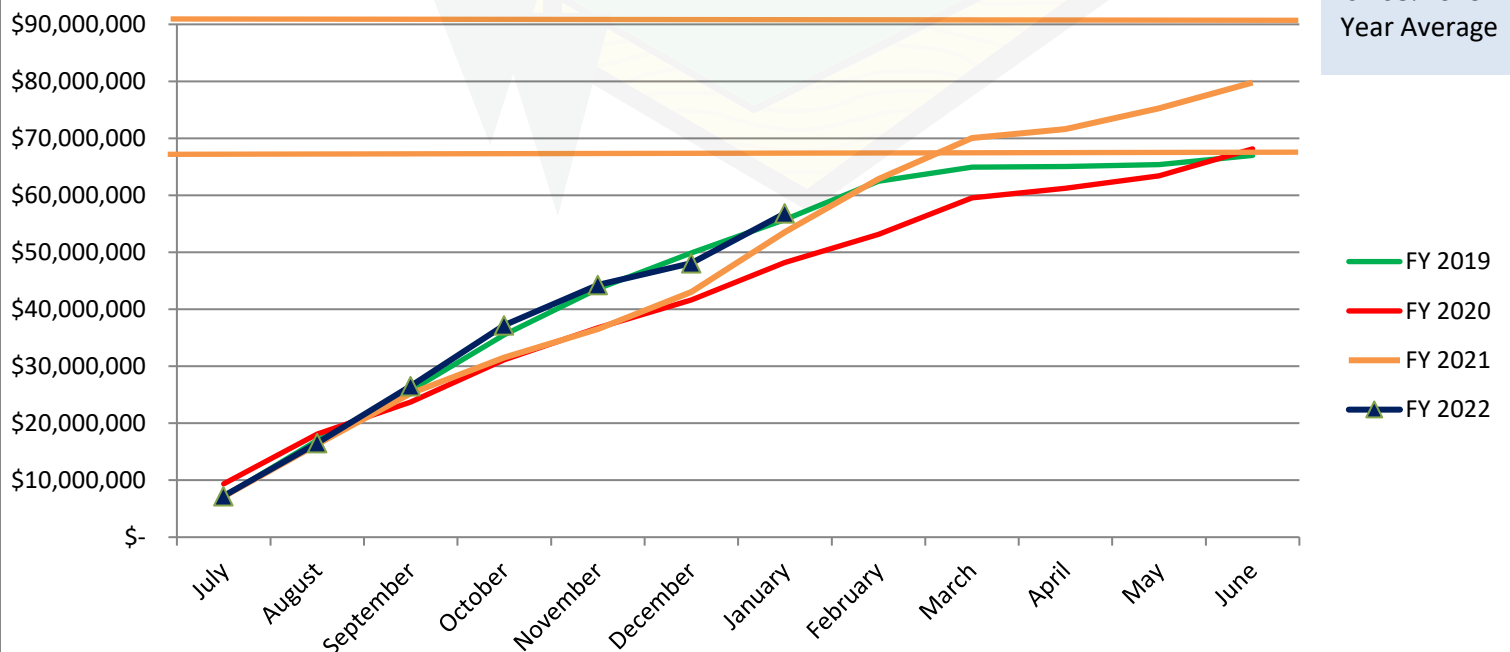
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Park Beetle Salvage (IDPR)	2,745	\$ 173,271	St. Joe	2/1/2022
TOTALS	2,745	\$ 173,271		

VOLUME UNDER CONTRACT as of January 31, 2022				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			174	167
Total Residual MBF Equivalent	327,255	208,792	536,047	496,110
Estimated residual value	\$83,893,558	\$55,370,923	\$139,264,481	\$143,275,199
Residual Value (\$/MBF)	\$256.36	\$265.20	\$259.80	\$274.89

	TIMBER HARVEST RECEIPTS									
	January				FY to date		February Projected			
	Stumpage		Interest		Harvest Receipts		Stumpage		Interest	
Public School	\$	5,586,909.75	\$	458,533.64	\$	36,765,826.74	\$	4,787,198.59	\$	417,313.90
Pooled	\$	2,528,224.22	\$	183,123.60	\$	20,071,838.49	\$	3,693,307.88	\$	294,271.00
General Fund	\$	0.00	\$	0.00	\$	7.01	\$	0.00	\$	0.00
TOTALS	\$	8,115,133.97	\$	641,657.24	\$	56,837,672.24	\$	8,480,506.47	\$	711,584.90

	Status of FY2022 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of January 31, 2022	89,744	59,848	149,593	21,269	9,545	30,814
Currently Advertised	4,705	0	4,705	0	0	0
In Review	26,246	9,754	36,000	495	4,040	4,535
Did Not Sell ¹	0	0	0	0	0	0
TOTALS	120,696	69,602	190,298	21,764	13,585	35,349
FY2022 Sales Plan			311,195			20,600
Percent to Date			61%			172%

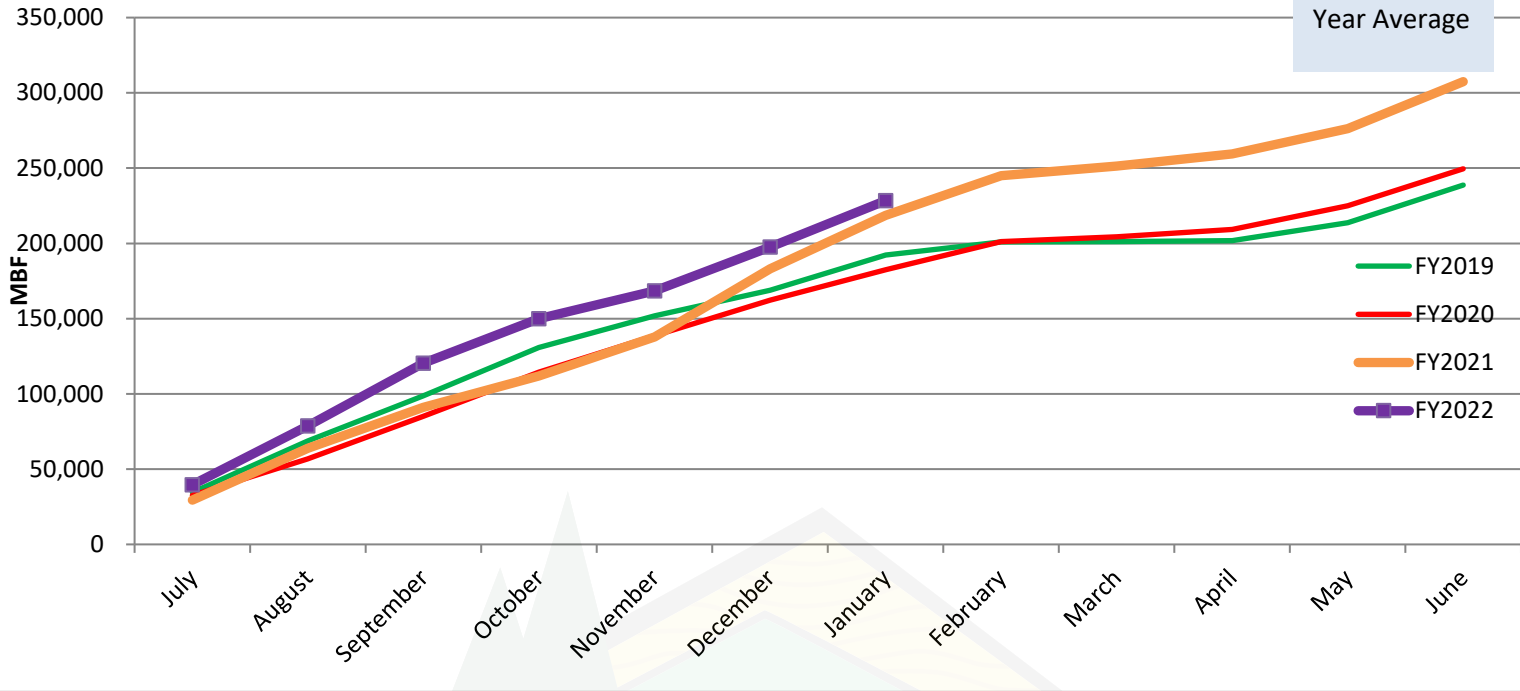
Cumulative Harvest Receipts



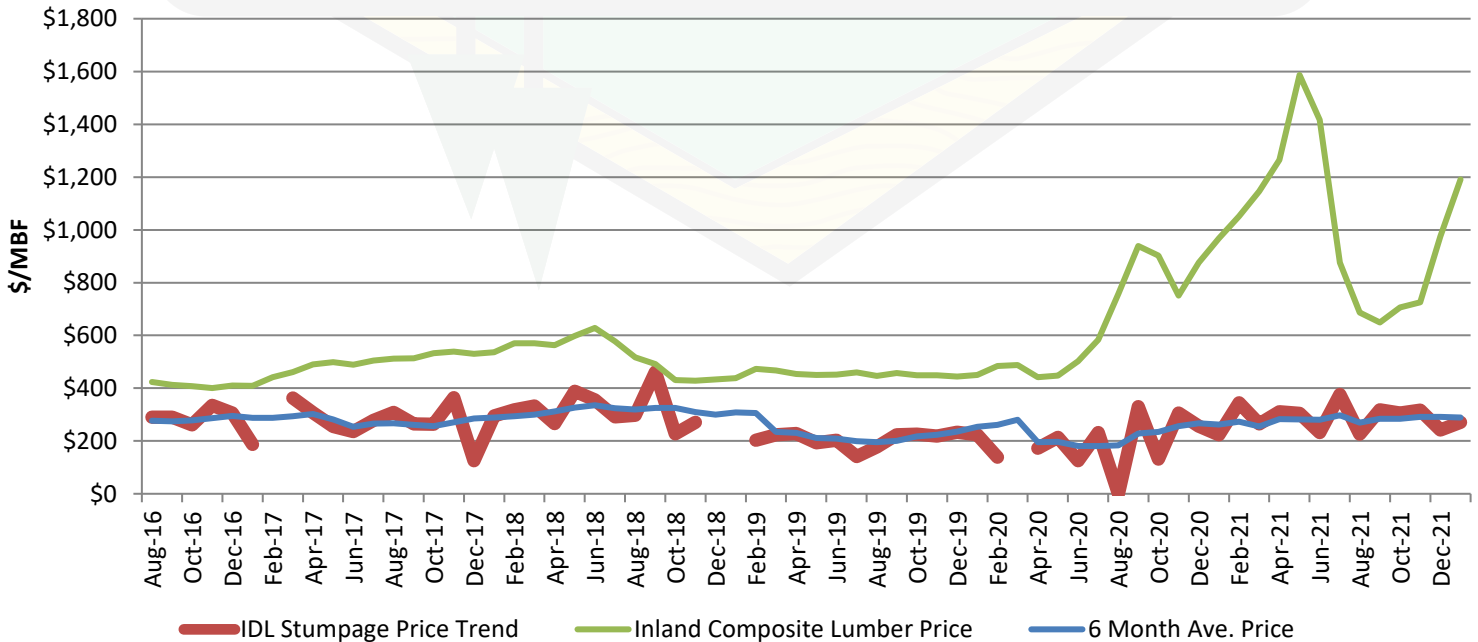
¹ After three attempts at auction.

Cumulative Harvest Volume

Current FYTD
is 115% of 3
Year Average



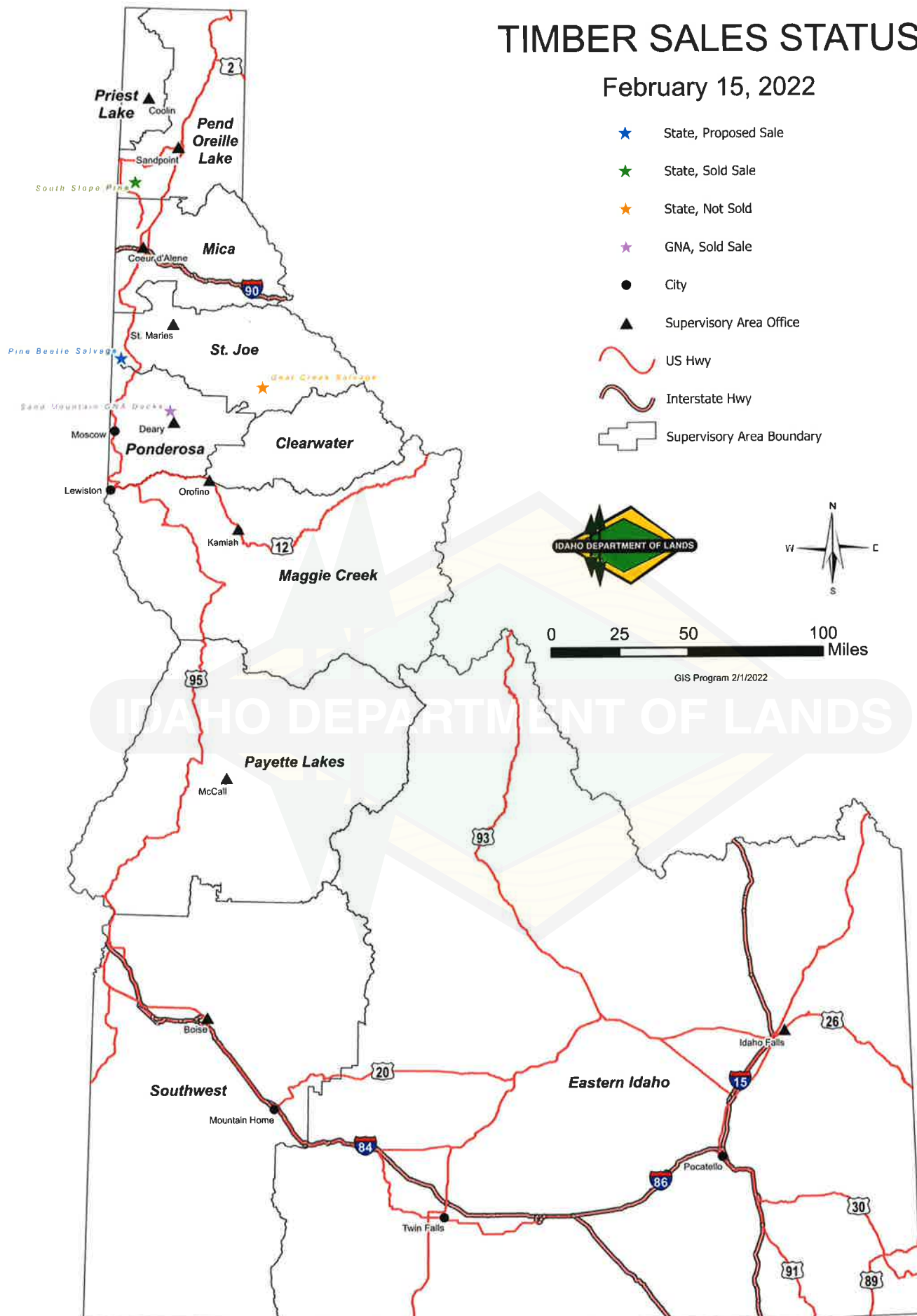
Monthly Lumber and Stumpage Price



January 2022 6-month average price is \$289.43.
January 2021 6-month average price was \$262.53.

TIMBER SALES STATUS

February 15, 2022



STATE BOARD OF LAND COMMISSIONERS

February 15, 2022
Endowment Transactions

Leases and Permits

FISCAL YEAR 2022 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through January 31,													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture	-	-	-	-	1	-	-						1
Assignments	-	-	-	-	-	-	-						0
Communication Sites	-	-	2	-	2	1	1						6
Grazing	-	3	2	5	5	1	-						16
Assignments	2	-	1	-	4	2	1						10
Residential	1	-	1	-	7	-	-						9
Assignments	-	-	1	-	1	-	-						2
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	-						0
Industrial	-	-	-	-	-	-	-						0
Military	-	-	-	-	-	-	-						0
Office/Retail	-	-	-	-	-	-	-						0
Recreation	-	-	-	-	-	-	-						0
Assignments	-	-	-	-	-	-	-						0
OTHER													
Conservation	-	-	-	-	2	-	-						2
Assignments	-	-	-	-	-	-	-						0
Geothermal	-	-	-	-	-	-	-						0
Minerals	-	-	-	2	-	-	-						2
Assignments	-	-	-	-	-	1	-						1
Non-Comm Recreation	-	-	-	-	-	-	-						0
Oil & Gas	-	-	-	-	-	-	-						0
PERMITS													
Land Use Permits	9	9	9	1	11	9	8						56
TOTAL INSTRUMENTS	12	12	16	8	33	14	10						105

Real Estate

FISCAL YEAR 2022 – REAL ESTATE TRANSACTIONS BY MONTH – through January 31, 2022													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-	-	1	-	2	-						3
Deeds Granted	-	-	5	10	2	2	5						24
Deeds Granted - Surplus	-	-	-	-	-	-	-						0
Easements Acquired	-	-	-	2	1	-	-						3
Easements Granted	-	2	-	5	2	-	-						9

Notes :

Land Exchange Updates

EIRSWD - The EIRSWD LEX is scheduled to close by the end of February.

Avimor - The Department anticipates seeking final approval to close the Avimor LEX at the March Land Board.

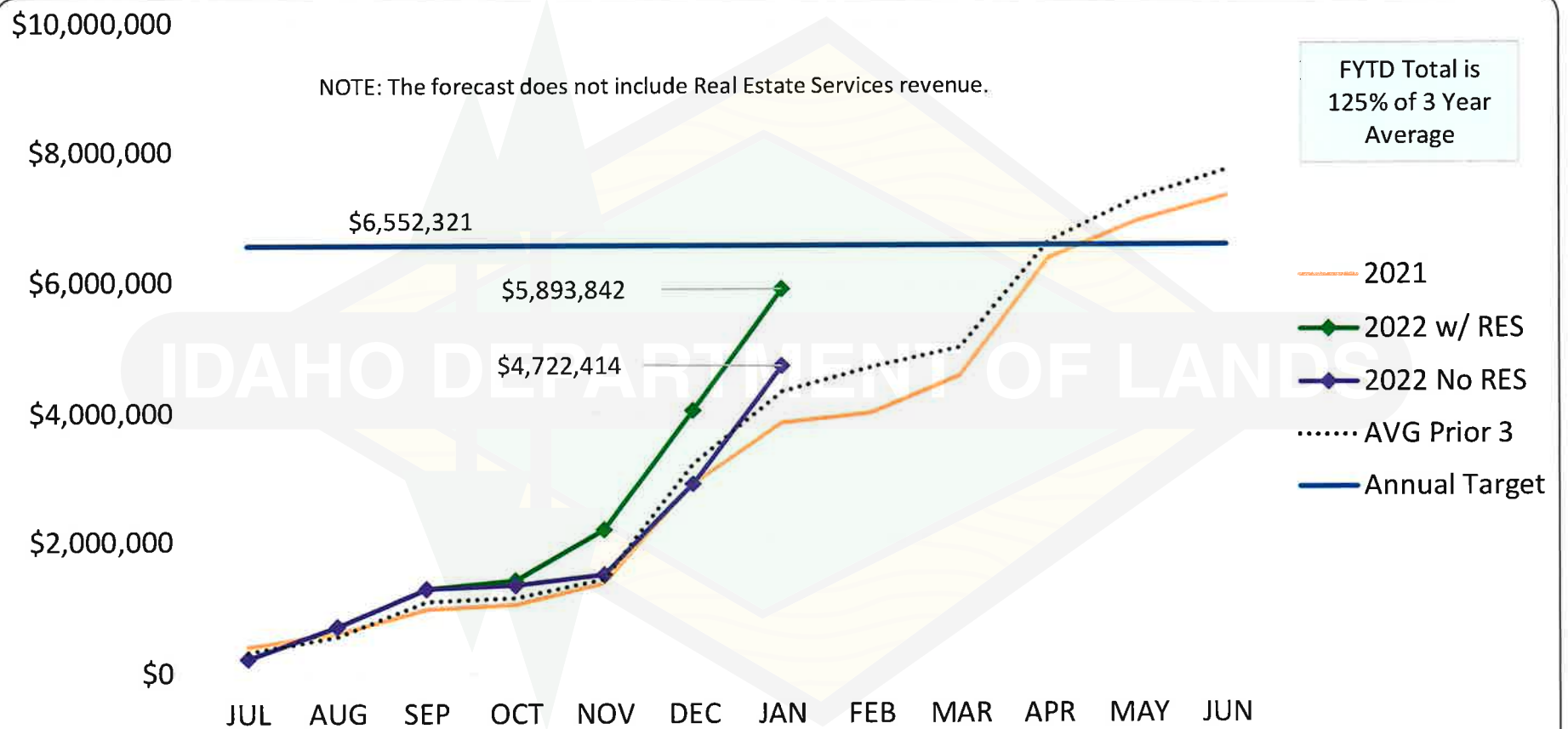
TRUST LAND MANAGEMENT DIVISION
FY2022 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through January 31, 2022

	ACTUAL RECEIPTS AS OF 1.31.2022	REVENUE EXPECTED BY 1.31.2022**	REVENUE EXPECTED BY 06.30.2022
SURFACE			
AGRICULTURE	\$ 462,720	\$ 443,700	\$ 491,700
COMMUNICATION SITES	\$ 823,781	\$ 909,900	\$ 1,011,000
GRAZING	\$ 65,552	\$ 93,000	\$ 1,817,000
RESIDENTIAL	\$ 891,039	\$ 915,700	\$ 1,303,345
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 20,159	\$ -	\$ 21,859
COMMERCIAL INDUSTRIAL	\$ 130,809	\$ 67,717	\$ 84,967
COMMERCIAL MILITARY	\$ 42,907	\$ -	\$ 91,463
COMMERCIAL OFFICE/RETAIL	\$ 741,448	\$ 666,192	\$ 923,859
COMMERCIAL RECREATION	\$ 513,873	\$ 486,300	\$ 531,800
OTHER			
CONSERVATION LEASES	\$ 72,894	\$ 65,000	\$ 65,000
GEOTHERMAL	\$ 750	\$ -	\$ -
MINERAL	\$ 848,855	\$ 13,459	\$ 105,403
NON-COMMERCIAL RECREATION	\$ 106,042	\$ 89,992	\$ 98,452
OIL AND GAS LEASES	\$ 1,585	\$ 2,440	\$ 6,473
Sub Total	\$ 4,722,414	\$ 3,753,399	\$ 6,552,321
*REAL ESTATE SERVICES	\$ 1,171,428		
Grand Total	\$ 5,893,842		

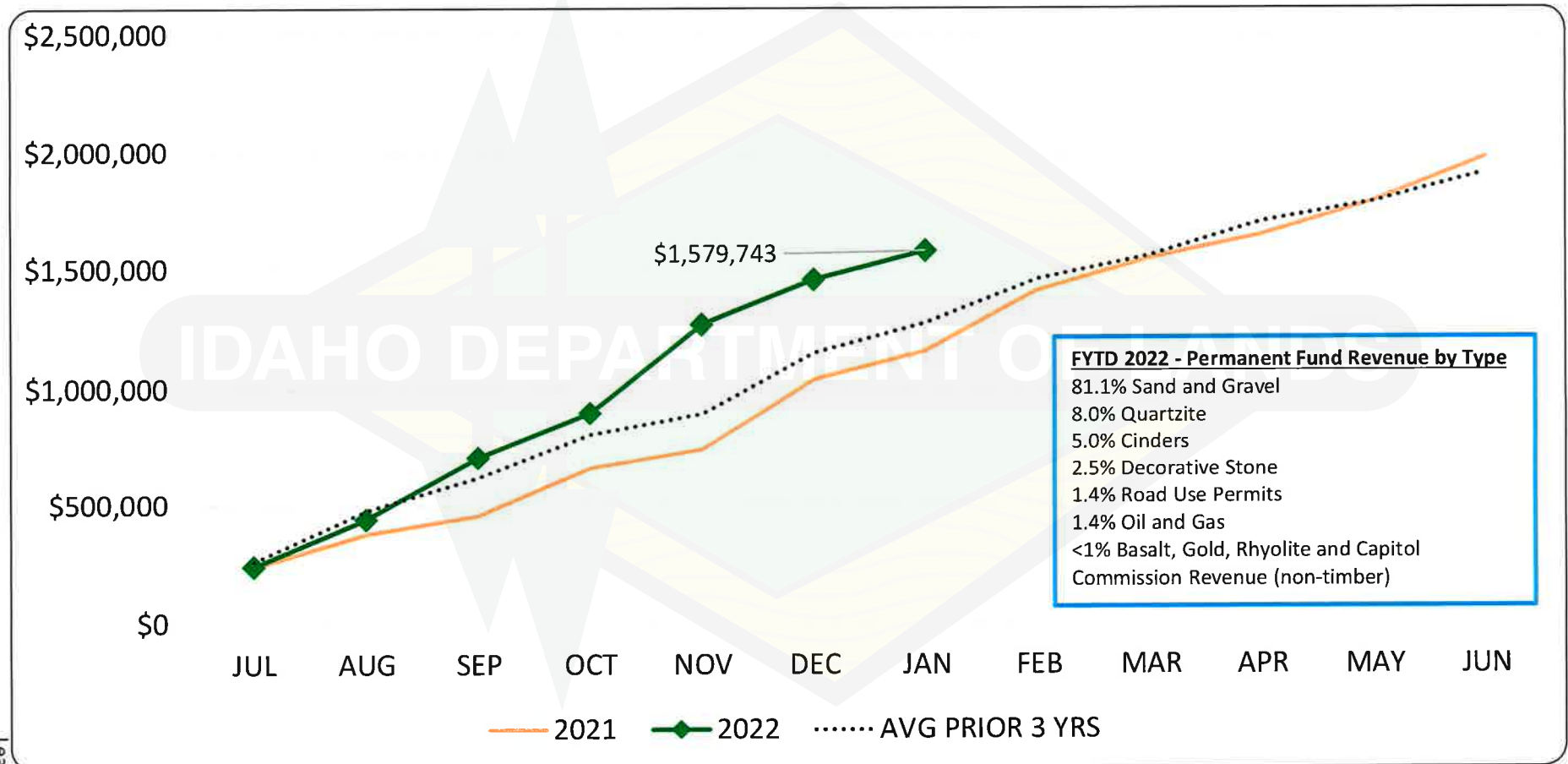
* This category is not included in the annual forecast.

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

Cumulative Trust Land Program Receipts Earnings Reserve - All Programs excluding Timber FY 2021 - FYTD 2022



Cumulative Trust Land Permanent Fund Revenue/Royalties (Does NOT include Land Bank Revenue) FY2021 - FYTD 2022



STATE BOARD OF LAND COMMISSIONERS

February 15, 2022
2022 Legislative Summary

Status of legislation monitored by the Department of Lands

IDL Pending Rules

Non-Fee Rules

[Docket 20-0201-2101](#) – Rules Pertaining to the Idaho Forest Practices Act

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – approved.

[Docket 20-0000-2100](#) – Omnibus Non-Fee Rules

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – approved.

Fee Rules

[Docket 20-0309-2101](#) – Easements on State-Owned Navigable Waterways

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – approved.

[Docket 20-0601-2101](#) – Rules of the Idaho Board of Scaling Practices

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – approved.

[Docket 20-0000-2100F](#) – Omnibus Fee Rules

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – approved.

IDL Legislation

Budget

IDL budget hearing held on Friday, January 21; budget setting pending.
EFIB budget hearing held on Friday, January 21; budget setting pending.

[H0468 ENDOWMENT LAND](#) – Adds to existing law to provide for certain notices and to provide for violations and penalties.

Status House Resources and Conservation Committee – hearing pending.

H### (RS29124) WILDLAND FIREFIGHTER HAZARD DIFFERENTIAL PAY – This legislation would allow the Idaho Department of Lands to provide Hazard Differential Pay for department Wildland Firefighters.

Status House Commerce and Human Resources Committee – hearing pending.

Other Legislation Being Monitored

Miscellaneous

[H0479 TRANSPORTATION](#) – Amends existing law to revise the definition of "utility type vehicle."

Status House Transportation and Defense Committee – hearing pending.

[H0504 PERSONNEL SYSTEM](#) – Adds to existing law to establish an educational reimbursement program.

Status House Commerce and Human Resources Committee – hearing pending.

H### (RS29410) DEPARTMENT OF LANDS – Amending Section 58-104A, Idaho Code, to revise provisions regarding the land, mineral, and grazing division of the department; amending Chapter 1, Title 58, Idaho Code, by the addition of a new Section 58-156, Idaho Code, to provide for an ombudsman.

Status House Resources and Conservation Committee – hearing pending.

[S1251 STATE LANDS](#) – Amends existing law to provide for written agreement of permittees and private right holders prior to the exchange of federally managed lands.

Status Senate Resources and Environment Committee – hearing pending.

[S1252 TAYLOR GRAZING ACT](#) – Amends existing law to revise provisions regarding grazing preference rights.

Status Senate Resources and Environment Committee – hearing pending.

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022

Resource Protection and Assistance Bureau Biannual Report

The Resource Protection and Assistance (RPA) Bureau houses the non-endowment regulatory functions within the Division of Minerals, Navigable Waterways, and Oil and Gas. The Navigable Waterways Program administers mostly lake encroachment permits and submerged lands leases, and the Minerals Program administers the surface mining reclamation plans, dredge and placer permits, and abandoned mine land projects. The Navigable Waterways Program is self-supported through a dedicated account, and the Minerals Program is supported through a mixture of general fund and dedicated fund sources.

Navigable Waterways Program

PAST 6-MONTH HIGHLIGHTS

- **Instrument Activity.** Instruments issued FY2015 through first half of FY2022:

Table 1: Navigable Waterways Historical Instrument Numbers								
Instrument Type	2015	2016	2017	2018	2019	2020	2021	2022
Encroachment Permits Issued	282	327	289	338	412	383	542	218
Active Submerged Land Leases	179	185	192	180	172	179	176	148
New Submerged Land Leases	26	11	8	36	48	24	17	3
Active Riverbed Mineral Leases	3	2	2	2	2	3	1	1
New Riverbed Mineral Leases	0	1	0	0	0	0	0	0
Active Exploration Locations	10	2	3	4	2	3	5	1
New Exploration Locations	2	0	1	2	4	0	0	2
New Submerged Land Easements	11	27	6	2	3	2	3	3
New Disclaimers of Interest	2	2	1	3	0	1	2	0

- **Program Manager Hired.** Loren Moore was hired as the new Navigable Waters Program Manager and started on November 1, 2022. She joins us with a master's degree in Environmental Engineering and two years of work experience with Idaho DEQ in water quality permitting.
- **Lake Protection Act (LPA) Inspection Goal.** Department staff conducted 121 site inspections and have completed 47 inspection reports from the 2021 inspections. Permit violations were found on 90 encroachments. There were 34 Notices of Noncompliance sent out and 14 of the recipients have responded.

- **Winter Dock Storage.** The Department has been working with three marine contractors over the last two years to bring their winter dock storage areas into compliance. Three storage areas are on Lake Coeur d'Alene and one is on Hayden Lake. A lease has been signed for the Cougar Bay storage area. Public meetings for two other sites on Lake Coeur d'Alene and one on Hayden Lake were held in July. Leases have been offered for all three sites.
- **Administrative Hearings.** Between July 1, 2021 and December 31, 2021, the Department ordered four public hearings and four contested case hearings on encroachment permit applications. Four were approved, one was denied, two have a decision pending, and one was vacated.
- **Rulemaking.** In compliance with Executive Order 2020-01, the administrative rule "Easements on State-Owned Navigable Waterways", IDAPA 20.03.09, was approved as a pending rule for review by the 2022 legislature. A rulemaking packet was prepared for the legislative session.

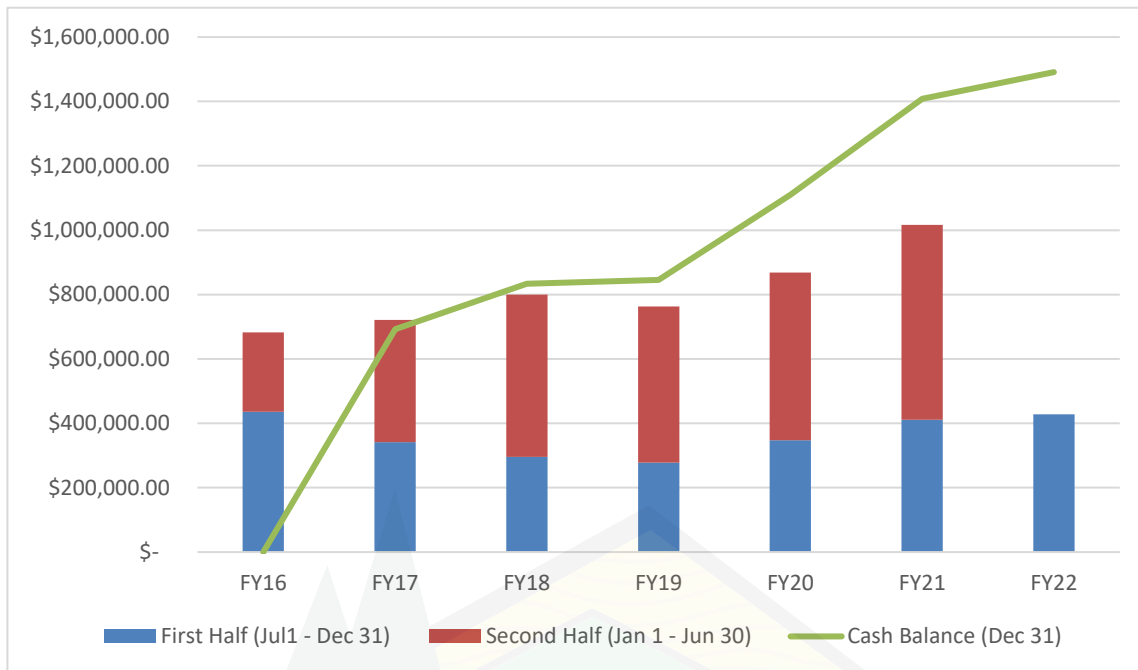
NEXT 6 MONTHS

- **2022 Lake Protection Act Inspection & Enforcement Goal.** Issue Notices of Noncompliance for the remaining 56 violations identified in 2021 and work toward resolution of all 90 violations identified. Inspect an additional 74 encroachments in 2022 and have reports completed within 2 weeks of each inspection. Follow up work on those inspections will begin as soon as reports are completed.
- **Negotiated Rulemaking.** In compliance with Executive Order 2020-01, the administrative rule "Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands", IDAPA 20.03.17, will be negotiated in 2022 prior to the old rules being repealed in 2023. The Department has started the administrative work and research needed to rewrite this rule. A proposal for negotiated rulemaking will be brought to the Land Board in February of 2022.

FINANCIAL UPDATE

- The Department generated \$427,803.19 from navigable waterways in the first half of FY2022. This is 28% more than the 5-year average of \$334,580 for this 6-month period.

Figure 1: Navigable Waterways Program Revenue and Cash Balance



Regulatory Minerals Program

PAST 6-MONTH HIGHLIGHTS

- **Large Mine Reviews.** Interagency review of Perpetua Resources' Stibnite Gold Project is ongoing with a Supplemental EIS currently being prepared. A final EIS on Itafos' Husky 1 North Dry Ridge phosphate mine is expected later this year. Konnex Resources is working on a USFS Plan of Operations for a copper mine near Mackay, Idaho.

LOOKING FORWARD

- **Implementation of Financial Assurance Calculators.** Perpetua Resources provided the Department with a complete Cost Data File for Idaho in preparation for their Stibnite Gold Project. Several Department staff took a short course from the creator of the Standard Reclamation Cost Estimator (SRCE) at the American Mining and Exploration Association meeting last fall. Department staff are practicing with SRCE to assist with a variety of cost estimation tasks.

TOTAL PERMITS AND BONDING

The Department currently administers 1,538 mine sites covered by reclamation plans and 31 covered by dredge and placer permits. The mines are presented in Table 2 by area and category, and Table 3 has historical plan numbers.

Table 2: Current Mine Permit Categories by IDL Supervisory Area				
IDL Area	Sand and Gravel Mines (IDAPA 20.03.02.069)	Hardrock, Phosphate & Complex Industrial (IDAPA 20.03.02.070)	Cyanidation Mines (IDAPA 20.03.02.071)	Dredge and Placer Permits (IDAPA 20.03.01)
Clearwater	33	-	-	-
Eastern	703	21	-	3
Maggie Creek	62	3	-	2
Mica	32	1	-	7
Payette Lakes	109	2	-	2
Pend Oreille Lake	130	-	-	-
Ponderosa	56	1	-	-
Priest Lake	15	-	-	-
Southwest	301	3	-	1
St. Joe	66	-	-	16
TOTAL	1507	31	-	31

Table 3: Regulatory Minerals Historical Instrument Numbers										
Instrument Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mined Land Reclamation										
New Reclamation Plans	20	20	25	36	24	18	28	17	10	5
Retirements	7	17	14	36	15	22	9	13	7	7
Total Reclamation Plans	1,536	1,537	1,528	1,530	1,542	1,540	1,561	1,580	1574	1538
Dredge and Placer										
New/Amended Permits	1	0	1	3	3	1	2	0	1	2
Retirements	-	-	-	-	2	0	1	0	0	0
Total Permits	25	25	25	25	26	27	28	28	29	31
Note: Inspections, Amendments, and Non-compliance are not currently tracked but will be with the implementation of the Land Information Management System (LIMS)										

Mine operators are eligible to provide bonding through traditional methods or the Bond Assurance Fund (BAF). Tables 4 and 5 list the acres and bond amounts currently in place for different types of mining operations. Created in 2006, the BAF provides another reclamation bonding option for small operators on private and state lands. This is a dedicated account with revenue from annual fees of approximately \$158,000 per year. Billings are mailed in September with a November 1 due date. Table 6 has revenue from the FY2022 billing. Figure 2 illustrates the revenue, expenditures, and balance for this fund.

Table 4: Bonding for Sand and Gravel, Light Industrial, and Placer Permits								
	Reclamation Plans (IDAPA 20.03.02.069)				Dredge and Placer Permits (IDAPA 20.03.01)			
	Plans	Permitted Acres	Total Bond	Bond/Acre	Permits	Affected Acres	Total Bond	Bond/Acre
Traditional Bond ¹	279	16,064	\$12.9 Million	\$803	23	162	\$240K	\$1,473
Bond Assurance Fund	614	31,965	n/a	n/a	8	63	n/a	n/a

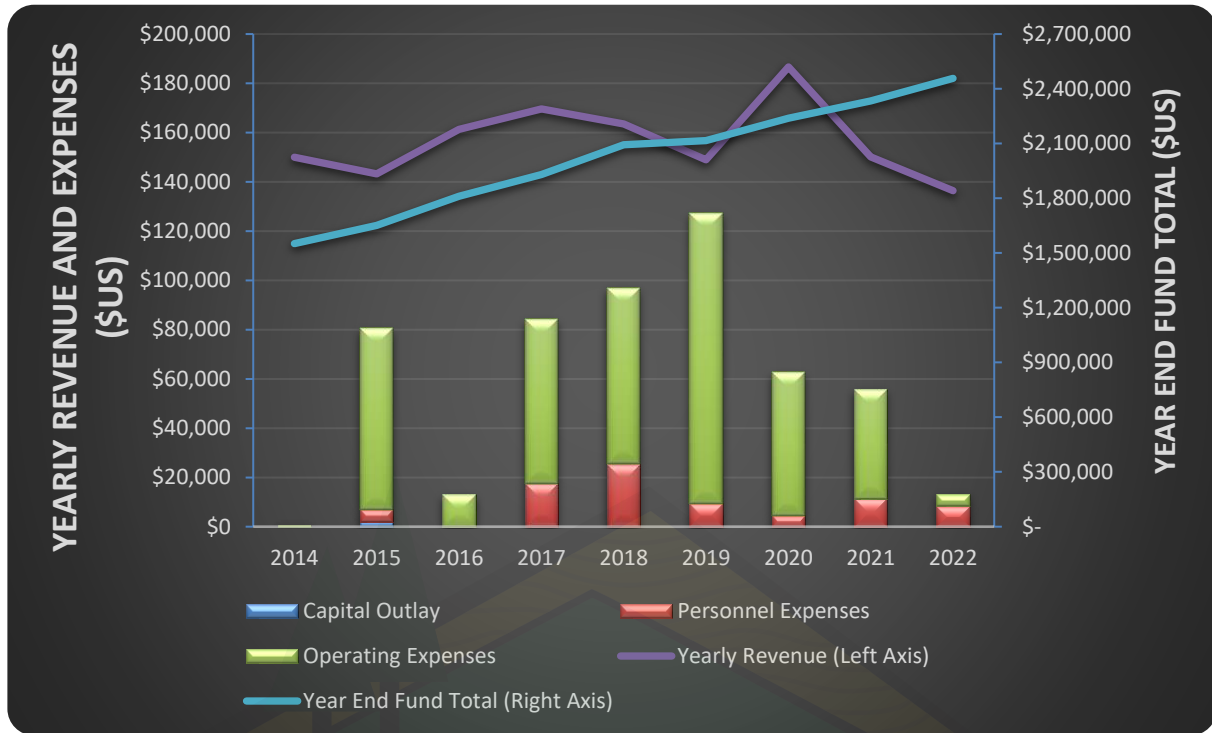
¹ Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

Table 5: Bonding for Hardrock, Phosphate & Complex Industrial				
	Reclamation Plans (IDAPA 20.03.02.070)			
	Permits	Permitted Acres	Total Bond	Bond/Acre
Traditional Bond ¹	31	21,920	\$157 Million	\$7,162

¹ Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

Table 6: Bond Assurance Fund Billing (For FY2022)				
Disturbance (ACRES)	Annual Fee Schedule (\$)	Total Permits Distribution	Total Annual Fees Due (\$)	Annual Fees Collected
2 acres or less	\$100	162	\$16,200	\$13,300
> 2 acres ≤ 5 acres	\$200	150	\$30,000	\$26,400
> 5 acres ≤ 10 acres	\$250	137	\$34,250	\$30,250
> 10 acres ≤ 15 acres	\$300	54	\$16,200	\$14,100
> 15 acres ≤ 20 acres	\$350	43	\$15,050	\$13,300
> 20 acres ≤ 25 acres	\$400	26	\$10,400	\$9,200
> 25 acres ≤ 30 acres	\$450	20	\$9,000	\$8,550
> 30 acres ≤ 35 acres	\$500	9	\$4,500	\$4,000
> 35 acres ≤ 40 acres	\$550	13	\$7,150	\$6,050
TOTAL		614	\$142,750	\$125,150

Figure 2: Bond Assurance Fund - Revenue, Expenditures, and Fund Balance

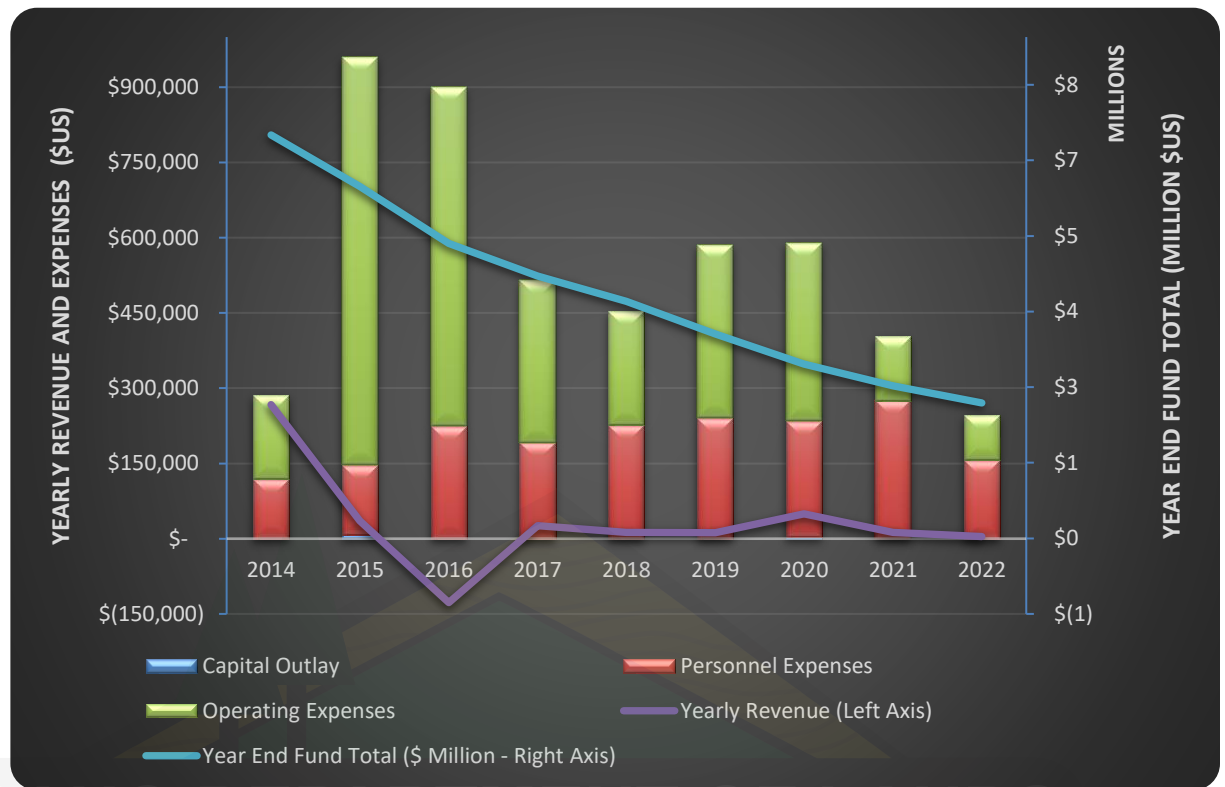


ABANDONED MINE LANDS

The abandoned mine lands (AML) program is funded through 34% of Idaho's Mine License Tax, a 1% net tax of Idaho's mining industry (excluding sand and gravel as described in Idaho Code § 47-1205). The Department's share of income for the first half of FY2022 was \$4,216. Table 7 lists the projects worked on in the first half of FY2022. Figure 3 illustrates the revenue, expenditures, and balance for this fund.

Project Name	Project Description
Triumph Mine	Sampling, ground water modeling, site drainage, NPDES permitting.
Idaho Geological Survey	AML information compilation and digitization.
Jackson Claim, War Eagle Mountain	One shaft closed on private land.

Figure 3: AML Fund - Revenue, Expenditures, and Fund Balance



IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022

Consent Agenda

Subject

Mineral Lease Live Auctions – January 6, 2022

Question Presented

Shall the Land Board direct the Department to award mineral leases to the high bidders at the live auctions?

Background

The Idaho Department of Lands (Department) received applications for two new sand and gravel mineral leases located south of the Boise airport along Pleasant Valley Road (site maps included as Attachment 1). Pursuant to Idaho Code § 58-310 and Department procedure, public auctions were advertised and held to determine the high bidder for each lease. Auction participants, including the original applicant for each lease, were required to register for the live auctions one week prior to the auction date. Department staff conducted the live auctions.

Discussion

For the purposes of securing a single lessee for each mineral lease, live auctions were held on January 6, 2022, at the Department's Southwest Area office. ASG Resources, LLC submitted the successful premium bid of \$500,000 for mineral lease E600102 (a 78-acre parcel). Five bidders registered for this auction, including the original applicant (Premier Aggregates).

Central Paving Co., Inc. submitted the successful bid of \$335,000 for mineral lease E600103 (a 62.6-acre parcel). Four bidders registered for this auction, including the original applicant (Premier Aggregates). Both leases include a 10-year term for the extraction of sand and gravel, including annual rent of \$250 (based on an annual rent of \$3.00 per acre or \$250 minimum) and a minimum annual royalty payment of \$7,500. Attachment 2 summarizes the results of the live auctions.

Idaho Code § 58-310(4) provides that the Land Board has the right to reject any bid made at a live auction where fraud or collusion are present, or for any reason, all within the sole discretion of the Land Board. The Department completed the lease auction process in accordance with existing statute and procedures and did not observe any indication of fraud or collusion related to this process.

Recommendation

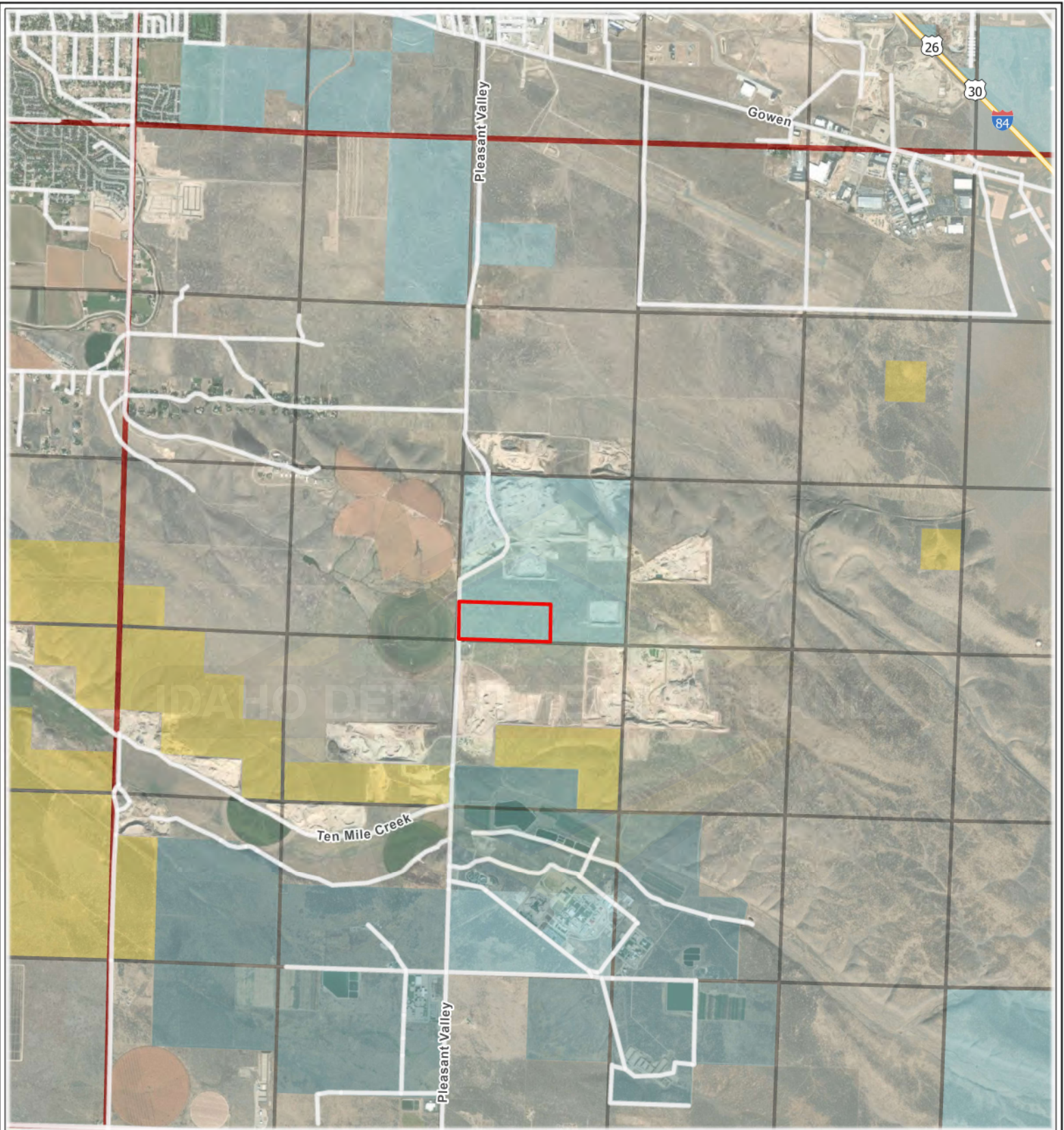
Direct the Department to award mineral lease E600102 to ASG Resources, LLC and direct the Department to award mineral lease E600103 to Central Paving Co., Inc.

Board Action

Attachments

1. Site Maps
2. Summary of Auction Results





Ownership

- Bureau of Land Management
- Bureau of Reclamation
- State
- Other State
- Private

Roads

- Interstate
- United States
- Idaho
- Local

Lease

- E600102

Mineral Lease E600102

Sec. 16 - T02N - R02E

1/26/2022



0 0.25 0.5

Miles



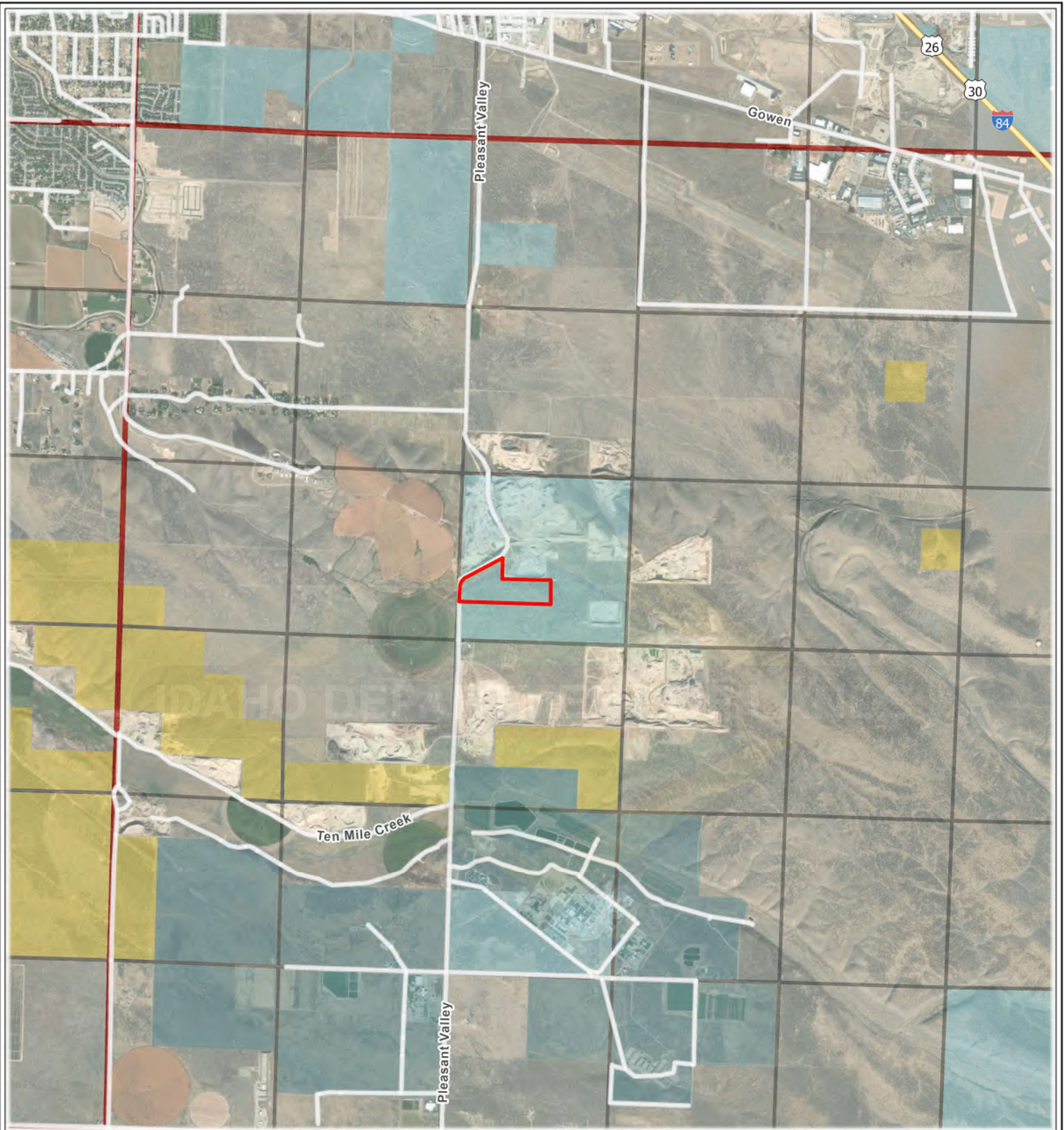
Map Notes

Projection: Idaho Transverse Mercator, NAD 83

Map Notes and Data Sources

Disclaimer:
This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





Ownership

- Bureau of Land Management
- Bureau of Reclamation
- State
- Other State
- Private

Roads

- Interstate
- United States
- Idaho
- Local

Lease

- E600103

Mineral Lease E600103

Sec. 16 - T02N - R02E

1/26/2022



0 0.25 0.5

Miles



Map Notes

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Summary of January 6, 2022 Mineral Lease Live Auctions

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Southwest	E600102	PS	10	78.00	Sand and Gravel	5	161	\$500,000.00	ASG Resources, LLC
Southwest	E600103	PS	10	62.60	Sand and Gravel	4	49	\$335,000.00	Central Paving Co., Inc.

Total : \$835,000.00

IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022

Consent Agenda

Subject

DI700262, Disclaimer of Interest for the former bed of the Snake River, Gooding County, Idaho.

Question Presented

Shall the Land Board approve Disclaimer of Interest DI700262?

Background

Idaho holds title to the beds and banks of navigable waterways below the ordinary high water mark (OHWM). The State Board of Land Commissioners (Land Board) is the statutorily designated trustee of these lands. When a river moves due to accretion (the natural, gradual process whereby deposited material causes the river to move), title to the riverbed moves as well. Idaho Department of Lands (Department) issues disclaimers of interest to clear title to the accreted land.

Discussion

French Quarter Farms, LLC has applied for a disclaimer of interest for seven parcels of land totaling 35.475 acres, more or less. These parcels are located within the original surveyed river meander lines of the Snake River adjacent to the applicants' deeded property in Government Lots 1, 2 and 3 of Section 20, Township 6 South, Range 13 East (parcels 1-5) and Government Lot 1 of Section 21, Township 6 South, Range 13 East (parcels 1 and 2) (Attachment 1-Map).

The Department identified the OHWM on site, which was then surveyed by a licensed surveyor for the applicant. The Department reviewed the survey, deeds, tax documents, and determined that the subject property is above the OHWM of the Snake River.

French Quarter Farms, LLC will grant the State of Idaho an easement 25 feet in width for a public use right of way along, and adjacent to, the existing OHWM of the Snake River. In addition, French Quarter Farms, LLC will grant the State of Idaho a disclaimer of interest for one parcel of land located below the ordinary high water mark totaling 0.233 acres, more or less.

Recommendation

Direct the Department to issue a Disclaimer of Interest for seven parcels totaling 35.475 acres of the original meandered bed of the Snake River, to French Quarter Farms, LLC following their payment to the Department of the remaining processing fee of \$1,000.

Board Action

Attachments

1. Map





- Meander Line
- Ordinary High Water Mark
- River Access Easement Parcel
- Disclaimed BY State
- Disclaimed TO State
- Survey Parcels

DI700262
Sec 20 and 21 - T06S - R13E

1/25/2022



Map Notes

Projection: Idaho Transverse Mercator, NAD 83

Map Notes and Data Sources

Disclaimer:
This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D. Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Be it remembered, that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes

State Board of Land Commissioners Regular Meeting

January 18, 2022

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, January 18, 2022 at the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd, Boise, Idaho, and via webinar. The meeting began at 9:01 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little

Honorable Secretary of State Lawrence Denney

Honorable Attorney General Lawrence Wasden

Honorable State Controller Brandon Woolf

Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, the Governor's Stage 4 Stay Healthy Guidelines, dated 5/11/2021, allowed for public meetings of any size with adherence to physical distancing and sanitation requirements. All Land Board members were present at the physical meeting location.

Controller Woolf mentioned a Department of Lands employee, Diane Griffin, who passed away unexpectedly just before Christmas. Controller Woolf noted that Diane assisted with Land Board meetings and requested, with unanimous consent, that Land Board members send a letter of condolence to Diane's family, sharing the Land Board's appreciation for her service to the state. Governor Little so ordered. Director Miller thanked the Controller for his kind words and said that Diane will be greatly missed, and her family will appreciate a letter from the Land Board.

Video Presentation – Idaho Department of Lands' Year-in-Review

[Editor's note: the Discussion portions, if any, for all agenda items are written in first-person format. This is not a verbatim transcript.]

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

A. Timber Sales – December 2021

Discussion:

Attorney General Wasden: I noticed on the map there is not a single sale scheduled in southern Idaho. I know we have timberlands; I know we have a great deal of distance to any processing facilities, which means that we have timber that is growing to excessive sizes and overgrowth. What is our long-range plan with southern Idaho?

Director Miller: Governor, General Wasden, as you know the vast majority of our timber production is in the northern part of the state; however, we do have sales scheduled for the southwest and over in eastern. Those are predominantly ton sales; we don't have as many sales there as we do up north. Those will all play out as we work our way through the current timber sales plan that the Land Board approved last April. Up until the end of June we will continue to have timber sales and there are sales scheduled for both the southwest and eastern regions.

Trust Land Revenue

B. Leases and Permits – December 2021

Discussion:

Governor Little: Director, does that happen elsewhere? I mean every county could zone all the state land as open space and our balance sheet could be significantly impacted. Has that happened before? [re: Avimor land exchange]

Director Miller: Governor, I am not aware of that happening before. The issue here is that this is not something that we have title to yet; the county placed that ordinance on the land and since we have not traded into that yet, we want to make sure this gets resolved. If it was already our ownership, that ordinance would not have any effect. It is because it will be encumbered with this ordinance and us knowingly trading into it could create some issues, predominantly if we were to sell this property later. We want to make sure this is resolved prior to trading into it.

Governor Little: How big is this parcel?

Jim Elbin: Too big to sell to one person.

Governor Little: The question is can we just auction it off?

Director Miller: Well, it is not timberland, Governor, so certainly.

Superintendent Ybarra: Dustin, you said you're working on it, and sometimes these title issues take a little bit. Do you have a projected timeline when it will come back before the Land Board?

Director Miller: Governor, and Madam Superintendent, hopefully in the next month or two we will have this resolved with the county. The sooner the better; I know the real estate services division keeps working on it. I will work with Josh Purkiss in getting you an actual timeline of when we expect to bring this back before the Board once that issue is resolved.

Status Updates

C. 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:

Chris Anton: Governor, members of the Land Board, good morning. The day after Thanksgiving we all started to learn about the Omicron variant of COVID-19 as it was spreading rapidly in South Africa. The uncertainty surrounding that virus and its rapid spread started to create turbulence in late November; we started to see the market sell off. That continued into early December as the variant began to spread rapidly in the U.S. and quickly became the dominant strain. As we started to approach the holiday season, despite the fact that the virus was spreading rapidly with cases over a million a day, we were at all-time highs; the financial markets seemed to have some comfort because the virus was demonstrating to be less serious in terms of hospitalization rates and deaths. It became evident that because it was spreading so quickly the infection rate seemed to spike quickly and start to taper off. We saw that in South Africa and we're seeing that in some of the big metropolitan areas. We'll start to see that in Idaho hopefully in the near future. The other thing that is important that will continue throughout the year is our macroeconomic policy and what is going on at the Federal Reserve. The focus of the Federal Reserve has primarily been on increasing employment. Back in March of 2020, the unemployment rate approached 15%; their focus was to bring everybody back to work. We are now down, the rate is something like 3.9%, and they've pivoted quickly to focus on inflation. Many of you probably saw the inflation rate hit 7% last month and the Federal Reserve has announced that they would accelerate the tapering of their bond buying, so the bond buying should be complete by March. They will be in a position to consider increasing interest rates at that point as well. That was new news in the market and that's continued to be a challenge as we've moved into January. They're now also talking about beginning to reduce the size of the Federal Reserve balance sheet. Right now, the balance sheets are almost \$9 trillion so they're considering not only not buying bonds anymore, considering selling bonds out into 2022 which will continue to drive up interest rates. Those are some of the dynamics taking place in the market.

The equity markets did rally in late December despite everything going on. Part of that was really driven by solid retail sales around the holidays and evidence that economic recovery was strong. Manufacturing orders remain solid, unemployment rate continued to improve despite challenges getting the participation rate improving; it was a strong end to the month. We were up 2.8% for the month; we are up 4.5% fiscal year-to-date. Through yesterday [January 17] we have given some of that back, we are up 2.3%. The challenge again is the Federal Reserve's push to really curtail inflation. We've seen the yield on the 10-year treasury go from about 1.4% to 1.85% so rates are starting to tick up. That has had a big impact on growth stocks in particular. If you look at our large cap growth manager, Sands Capital, fiscal year-to-date they're now down about 15%

where our large cap value managers are up over 10%. There's a huge gap between value stocks and growth stocks and that is because with growth stocks the value depends on future earnings and you discount them back at a higher interest rate, the value goes down, and so as rates go up people are concerned and they're really selling off a lot of their growth stocks.

Governor Little: Chris, that Sands underperformance, isn't that relative to the bogey for large cap growth? They're underperforming their peers.

Mr. Anton: There are two issues. They are underperforming their peers considerably, plus that sector is underperforming pretty dramatically.

Governor Little: But that doesn't matter. You hired these guys to meet a bogey in a group, large cap growth, and they're not meeting that bogey.

Mr. Anton: Yes, that's correct, and that gap has increased; they're now about 20% under their benchmark fiscal year-to-date.

Governor Little: How often do you recommend to the Investment Board and Callan recommend to you that you change managers?

Mr. Anton: We look at that every quarter. We tend to be very patient because we know things go in cycles. If you look back over the last few years, they've been one of our best if not our best manager. They're in a period of underperformance because they tend to be sort of on the hyper growth relative to the benchmark which is more moderate growth. Those companies that really are leading edge that are depending on future earnings have taken a hit and they've taken more of a hit than the benchmark.

Governor Little: My other question is, if you look at your investment report, which I love particularly the color of most of it, but if you compare one year to calendar year-to-date the numbers are all the same until you get to real estate and it's down 11%. Or do you just plug in the 11% negative by default. All the numbers are exactly the same except it doesn't show that underperformance in real estate.

Mr. Anton: Governor, members of the Land Board, I think that is an oversight on our part. The calendar year and the one year should be the same on December 31st. We just forgot to fill in that real estate number. Real estate was up 11.4% for the year; we've seen a huge rebound in our private real estate funds, and you'll continue to see that over the next couple quarters.

Governor Little: Sometimes you have to stay with the guy or gal that brought you to the dance.

Mr. Anton: Exactly. That is an oversight; the numbers should be the same in the calendar year-to-date column. One last thing to highlight on Sands...we gave them more money; part of our discipline and rebalancing is when people are way down, we tend to take a bet on them. We do still have confidence in Sands, and we actually shifted more money to them this last week and that's been our approach.

Governor Little: Buy low and sell high.

Mr. Anton: Exactly.

Consent—Action Item(s)

3. **Forest Legacy—Dinning and Simonson Conservation Easements** – *Presented by Archie Gray, Bureau Chief-Forestry Assistance*

Recommendation: Authorize the Department to acquire the Dinning and Simonson conservation easements.

Discussion: None.

4. **Results of October 29, 2021 Residential Lease (Cottage Site) Live Auction** – *Presented by Kemp Smith, Program Manager-Commercial, Residential, Industrial*

Recommendation: Direct the Department to award residential cottage site lease R500366 to Janet Marie Stevens.

Discussion:

Controller Woolf: I see in the table the lease was at Payette Lake but that's the only thing I saw of where this was, there was no map of it. Whereabouts on Payette Lake is this?

Kemp Smith: Governor, members of the Land Board, thank you for having me. My name is Kemp Smith, and I am the program manager for both residential and commercial leasing for the Department. To your question, Mr. Controller, this particular property is located about one mile southwest of Wagon Wheel Bay, if you're familiar with the area. It is not directly on the lakefront, but it is a few hundred feet from the lakefront.

Controller Woolf: Thank you.

5. **Approval of Draft Minutes** – November 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 5-0.

Regular—Action Item(s)

6. **Negotiated Rulemaking IDAPA 20.02.14, Rules for Selling Forest Products on State-Owned Endowment Lands** – *Presented by David Greenwood, Bureau Chief-Forest Management*

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.02.14 *Rules for Selling Forest Products on State-Owned Endowment Lands*.

Discussion: None.

Board Action: A motion was made by Attorney General Wasden that the Land Board adopt the Department recommendation and authorize the Department to initiate negotiated rulemaking for IDAPA 20.02.14 Rules for Selling Forest Products on State-Owned Endowment Lands. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

7. Approval of Blowin' Smoke Timber Sale with Clearcut Harvest Unit – Presented by David Greenwood, Bureau Chief-Forest Management

Recommendation: Approve the Blowin' Smoke Timber Sale.

Discussion:

Governor Little: The maps are very good; I know where this is. Has the surrounding area been treated, or is this just where the grand fir is and the lodgepole that is buggy?

David Greenwood: Governor, members of the Land Board, attachment 2 is the air photo map; to the north of that was treated about three years ago. It was clearcut so it was treated. The insect and disease moved to the south and that is why we're proposing this clearcut of the 140 acres. There is some surrounding timber left that has potential for insect and disease outbreak but they're doing a good job of treating it and getting the maximum value while we still can.

Governor Little: Well, I would tell everyone that the Department could have made two 99-acre clearcuts and not had to do this, but I appreciate the disclosure and compliance with the code. Kudos to the Department for doing that.

Mr. Greenwood: We've directed our staff to do what is right to generate revenue and leave it up to the Land Board if we exceed that 100 acres which is why we're here today.

Controller Woolf: It looks like Highway 3...is there any viewshed impact from the highway or anything like that?

Mr. Greenwood: It's hard to tell the topography because we didn't give you topo lines there, but it is a very flat area, so there will be no viewshed concerns from Highway 3.

Controller Woolf: Okay, good.

Board Action: A motion was made by Attorney General Wasden that the Land Board approve the Department's recommendation that is approve the Blowin' Smoke timber sale. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

Information

None

At 9:51 a.m., a motion was made by Attorney General Wasden to resolve into Executive Session pursuant to Idaho Code § 74-206(1)(b) – to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student. Attorney General Wasden requested that a roll call vote be taken and that the Secretary record the vote in the minutes of the meeting. Controller Woolf seconded the motion. *Roll Call Vote:* Aye: Denney, Wasden, Woolf, Ybarra, Little; Nay: None; Absent: None.

Executive Session

A. Performance Evaluation – Director, Department of Lands

Idaho Code § 74-206(1)(b) – to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student.

At 10:48 a.m., the Land Board resolved out of Executive Session by unanimous consent. No action was taken by the Land Board during Executive Session.

There being no further business before the Land Board, at 10:49 a.m. a motion to adjourn was made by Attorney General Wasden. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

IDAHO DEPARTMENT OF LANDS



Thomas J. Wilford :: Chairman
Jerry F. Aldape Irving Littman
Bob Donaldson Richelle A. Sugiyama
Joseph Forney Chuck Winder
Steven C. Harris Brian Yeargain

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through January 31, 2021

Month: -4.4% Fiscal year: -0.2%

Equity markets had their worst month since March 2020 as strong labor markets and persistently high inflation led the Federal Reserve to accelerate plans to unwind monetary support. The Federal Reserve will begin steadily increasing interest rates starting in mid-March and shortly thereafter commence balance sheet reduction. Inflation uncertainty, rising bond yields, escalating geopolitical tensions in Ukraine and the ongoing surge of the Omicron variant of COVID-19 all contributed to heightened market volatility. Growth and technology stocks were particularly hard hit with the Nasdaq Composite falling over 9% during the month. Financial markets demonstrated some strength in the last two trading days of the month due to better than expected fourth quarter U.S. GDP and solid quarterly earnings reports.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 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 – February 17, 2021

Preliminary Report (Land Grant Fund)

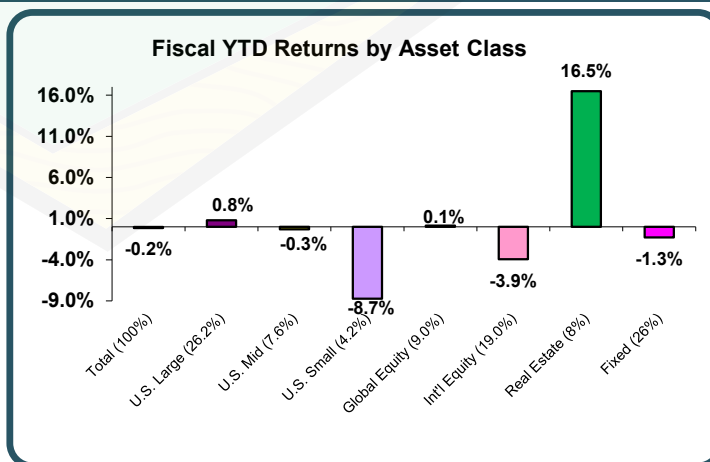
January 31, 2022

	Month	FYTD
Beginning Value of Fund	\$ 3,228,000,693	\$ 3,107,842,560
Distributions to Beneficiaries	(7,464,708)	(51,502,956)
Land Revenue net of IDL Expenses	9,618,983	54,862,916
Change in Market Value net of Investment Mgt. Expenses	(144,831,906)	(25,879,457)
Current Value of Fund	\$ 3,085,323,062	\$ 3,085,323,062

	Current Month	Calendar Y-T-D	Fiscal Y-T-D	One Year	Three Year	Five Year	Ten Year
Gross Returns							
Total Fund	-4.4%	-4.4%	-0.2%	10.1%	13.7%	11.3%	10.0%
Total Fund Benchmark*	-3.9%	-3.9%	0.5%	9.2%	12.4%	10.3%	9.4%
Total Fixed	-2.1%	-2.1%	-1.3%	-1.6%	4.3%	3.4%	2.6%
85% BB Agg, 15% TIPS	-2.1%	-2.1%	-1.5%	-2.0%	4.2%	3.3%	2.6%
Total Equity	-6.5%	-6.5%	-1.4%	13.9%	18.0%	14.7%	12.9%
38% R3 19% Ax 9% AC	-5.1%	-5.1%	0.2%	13.5%	16.2%	13.3%	12.2%
Domestic Equity	-6.3%	-6.3%	-0.5%	16.5%	19.3%	16.0%	15.1%
Russell 3000 (R3)	-5.9%	-5.9%	2.7%	18.8%	19.9%	16.1%	15.0%
Global Equity	-7.0%	-7.0%	0.1%	14.6%	18.7%	14.3%	10.2%
MSCI ACWI (AC)	-4.9%	-4.9%	0.4%	13.2%	15.4%	12.6%	10.7%
Int'l. Equity	-6.8%	-6.8%	-3.9%	8.4%	15.0%	12.4%	8.2%
MSCI ACWI ex-US (Ax)	-3.7%	-3.7%	-4.9%	3.6%	9.1%	8.0%	6.2%
Real Estate			16.5%	18.5%	8.3%	7.9%	
NCREIF ODCE Index			10.3%	13.6%	6.1%	6.6%	

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

	Mkt Value	Allocation
Domestic Equity	\$ 1,191.3	38.6%
Large Cap	822.8	26.7%
Mid Cap	241.3	7.8%
Small Cap	127.2	4.1%
Global Equity	290.6	9.4%
Int'l Equity	572.9	18.6%
Fixed Income	747.6	24.2%
Real Estate	266.7	8.6%
Cash	16.6	0.5%
Total Fund	\$ 3,085.3	100.0%



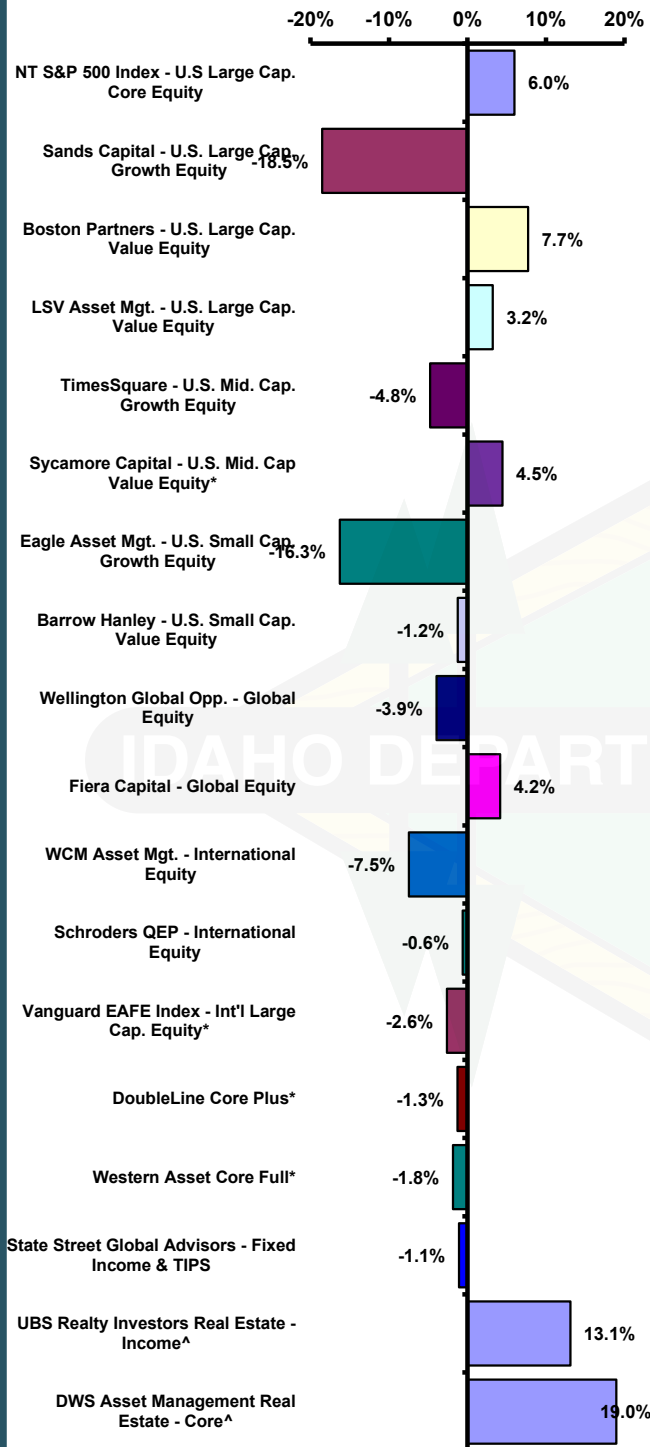
Endowment Fund Staff Comments:

Equity markets had their worst month since March 2020 as strong labor markets and persistently high inflation led the Federal Reserve to accelerate plans to unwind monetary support. The Federal Reserve will begin steadily increasing interest rates starting in mid-March and shortly thereafter commence balance sheet reduction. Inflation uncertainty, rising bond yields, escalating geopolitical tensions in Ukraine and the ongoing surge of the Omicron variant of COVID-19 all contributed to heightened market volatility. Growth and technology stocks were particularly hard hit with the Nasdaq Composite falling over 9% during the month. Financial markets demonstrated some strength in the last two trading days of the month due to better than expected fourth quarter U.S. GDP and solid quarterly earnings reports.

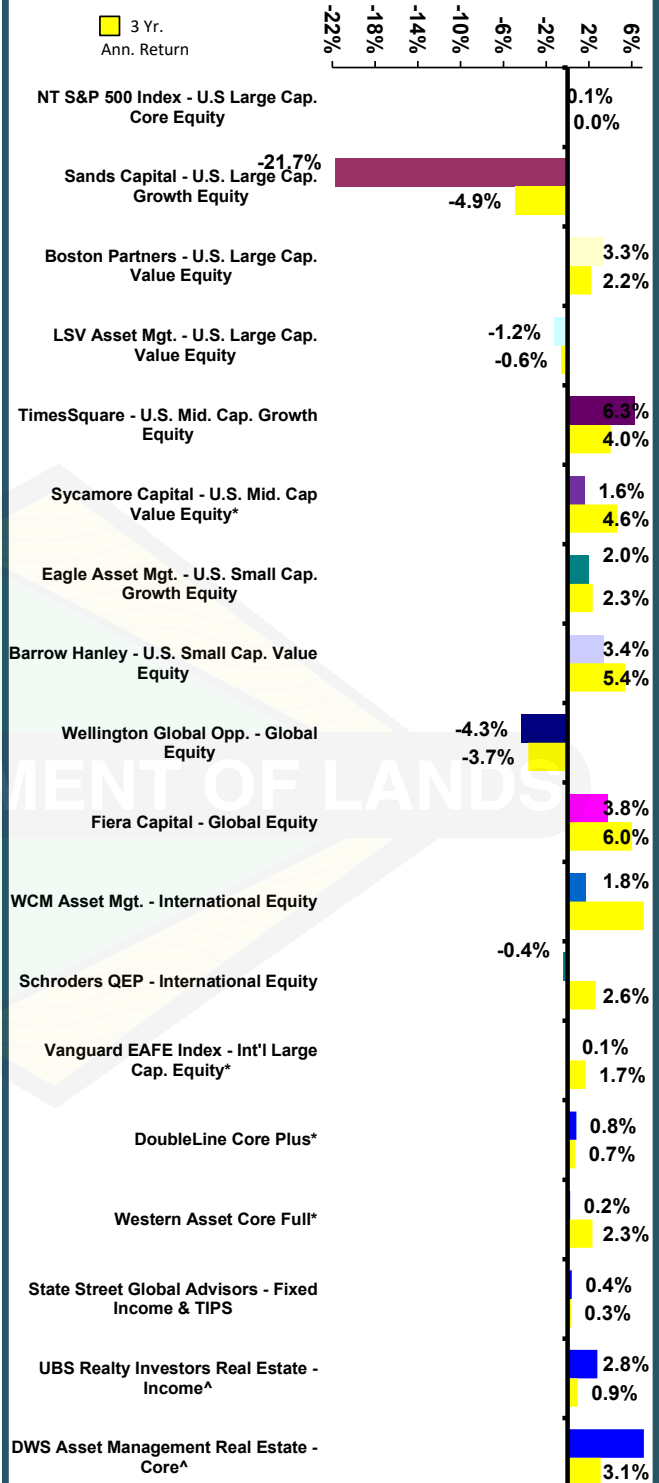
January 31, 2022

INVESTMENT REPORT

FYTD Manager Returns



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



*ITD return used when manager has less than 3 years. ^ Most recent valuation.

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022

Regular Agenda

Subject

Asset Allocation Study Update

Question Presented

Shall the Land Board direct the Endowment Fund Investment Board and the Department to utilize the Land Board's General Consultant (Callan) to update the Asset Allocation Study?

Background

In November 2014, the State Board of Land Commissioners (Land Board) accepted the Asset Allocation and Governance Review from Callan. The report included "...an asset allocation study incorporating the IDL-managed land assets with the financial assets."

The purpose of the asset allocation study was "...to evaluate the current and potential asset allocation mixes incorporating the IDL lands portfolio with the EFIB financial assets." The asset allocation study established valuations for timberland and rangeland, used the value of the financial assets at the time, and developed risk, return and correlation assumptions for the various asset classes. According to the final report, the asset allocation study was conducted to address the following issues:

- The appropriate levels of investment for Idaho timberland and rangeland
- Other asset classes not currently considered that should be added
- The process for liquidating assets, if appropriate, including timing and potential discounts to market value

The current asset allocation table from the Investment Policy Statement, as approved by the Land Board on November 16, 2021, is included as Attachment 1. The status of the asset classes relative to the ranges specified, as depicted in the table, was through June 30, 2021.

Discussion

The Investment Policy Statement includes the following text pertaining to revisions of the Asset Allocation Study:

In setting strategic asset allocations, the Land Board will focus on ensuring the Endowment Assets' expected long-term returns will meet expected long-term obligations with a prudent level of risk. Approximately every eight years, the Land Board will evaluate the asset allocation mix and conduct an asset allocation study (last completed in 2014) to determine the long-term strategic allocations to meet risk/return objectives.

Significant changes in capital market assumptions, portfolio characteristics, timber income expectations, or the Distribution Policy may cause the Land Board to accelerate the timing of an asset allocation study. For example, the illiquidity of much of the Land Assets may require the target asset mix of the Financial Assets be adjusted due to significant land sales or acquisitions or the appreciation of the Financial Assets at a faster or slower rate than the appreciation of the Land Assets.

Updating the Asset Allocation Study during 2022 is consistent with that direction.

In addition, the financial assets have grown significantly since 2014, and the valuations for timberland and rangeland were recently updated. Returns for the land assets have been measured using a consistent methodology since FY2016.

The Asset Allocation Study output would be reviewed and approved by the Endowment Fund Investment Board and the Land Board's Investment Subcommittee prior to consideration by the Land Board.

Recommendation

Direct the Endowment Fund Investment Board and the Department to utilize the Land Board's General Consultant (Callan) to update the Asset Allocation Study.

Board Action

Attachments

1. Current Asset Allocation and Status
2. Callan Asset Allocation Study Proposal

Current Asset Allocation and Status

Asset Class	Target Asset Allocation	Range	Actual Asset Allocation June 30, 2021	Valuation June 30, 2021
Financial Assets	58%	50 – 65%	63.13%	\$3,107,842,560
Timberland	39%	30 – 50%	31.69%	\$1,560,000,000
Rangeland	2%	0 – 5%	1.29%	\$63,400,000
Cash Equivalents (Land Bank)	1%	0 – 5%	2.26%	\$111,372,225
Residential Real Estate	0%	N/A	0.65%	\$31,784,000
Commercial Real Estate	0%	N/A	0.35%	\$17,141,822
Farmland	N/A	N/A	0.63%	\$31,186,650
Total	100%		100%	\$4,922,727,257
Expected Return (net)	5.8%			
Expected Risk (Standard Deviation)	12.9%			
Inflation Assumption	2.25%			

Project Proposal

Idaho State Board of
Land Commissioners

Callan

Janet Becker-Wold, CFA
James Van Heuit

February 3, 2022

The logo of the Idaho Department of Lands is a large, stylized diamond shape. It features a light green diamond in the center, surrounded by a yellow border with wavy lines. The entire logo is set against a light gray background with a faint, larger diamond shape. The text "IDAHO DEPARTMENT OF LANDS" is written in white, bold, uppercase letters across the middle of the logo.

IDAHO DEPARTMENT OF LANDS

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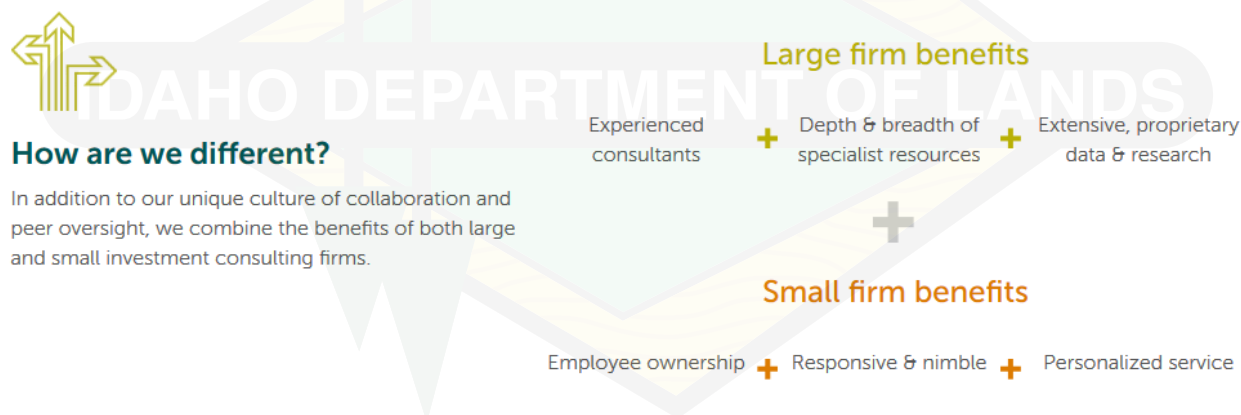
Callan Overview

Callan was founded as an employee-owned investment consulting firm in 1973. In the 44 years since, we have empowered institutional clients with creative, customized investment solutions uniquely backed by proprietary research and data, ongoing education, and decision support. We use an integrated consulting model to serve public and private pension plan sponsors, endowments, foundations, operating funds, smaller investment consulting firms, investment managers, and financial intermediaries.

Today, 129 Callan employees — representing almost half of our workforce — are shareholders in a company that advises on over \$4.5 trillion in total assets, making us among the largest independently owned investment consulting firms in the U.S. Our ownership is broadly distributed.

All Callan employees consider themselves stewards of a culture that revolves around collaboration to serve our clients' needs. While we have contemplated other structures, we strongly believe the stabilizing influence of independent ownership provides the best foundation for the preservation of this culture, which translates into a valuable sense of continuity for our clients.

Callan's prime differentiators are our singular commitment to consulting and the fact that our firm manages to combine the best attributes of large and small companies. We feel this uncommon blend results in the best possible balance for our clients.



Deep Resources and Dedicated Consulting Teams

In order to maintain continuity, Callan assigns a team of professionals to service every consulting relationship. The proposed consulting team has the ultimate responsibility for the coordination and delivery of all consulting services, ensuring the completeness and quality of all work performed. Appropriate specialty consultants from the Capital Markets Research, Client Report Services, and Global Manager Research groups may be leveraged as needed:

Our depth of resources can be found in the following areas:

- **Capital Markets Research:** The Capital Markets Research group has seven research specialists who conduct all strategic review projects undertaken by our clients. This group specializes in asset allocation and liability/spending modeling, as well as strategic planning, capital markets projections and manager structure optimization. The Capital Markets Research group will be integrally involved in the structure and analysis of the asset risk and return forecasts.

- **Global Manager Research:** The Global Manager Research (GMR) group has specialists in all major public and private asset classes. The sole responsibility of our GMR group is to research investment management organizations, strategies and products. GMR staff routinely meets with investment managers in our offices and in their place of business. These are senior career research specialists, not junior analysts. On average GMR conducts 1,500 manager meetings each year. This same group of professionals assists consultants in conducting investment manager searches for clients and presents weekly to the Manager Search Committee, an internal oversight body. Members of the GMR group average 19 years of industry experience and 12 years with Callan.
- **Trust, Custody, Securities Lending and Transition Management Services:** Callan was the first in the investment consulting industry to dedicate resources in the areas of trust, custody, securities lending and transition management consulting services beginning in 1991. The group is headed by Bo Abesamis. Bo has extensive experience in these areas and is widely regarded as an expert in his field.

Experience

Callan has conducted asset allocation and spending policy projects for the Idaho State Board of Land Commissioners (Land Board) starting in 2014. In addition, we conduct annual asset allocation reviews for the EFIB.

Project Background

The mission of the Land Board is to manage endowment of assets held in a perpetual, intergenerational, public trust for the financial support of Idaho's public schools and other beneficiaries.

Proposed Scope of Work

The Land Board has requested a proposal from Callan to do the following:

- Provide an asset allocation study for the Endowment Trust. The study will examine all of the Endowment assets, both financial and physical (grazing and timber).
 - Alternative mixes will not be included due to challenges in the acquisition and sales of land assets.
- Our asset allocation software utilizes a mean variance optimization approach, and as such, is dependent on three critical inputs: expected return, risk, and correlation estimates. Callan will generate customized expected returns, risks, and correlations for the IDL physical asset portfolio (timber and grazing land). Callan's proprietary capital market assumptions will be utilized for the EFIB financial assets.
- The analysis will incorporate the most current land appraised values.
- The land and financial assets will be combined and return and risk projection determined for the Total Endowment over a 10-year forecast horizon.

The final work product will be a written report that will document the process and methods of analysis used to deliver the Proposed Scope of Work. The report will contain a summary of the data sources used, the assumptions underlying all analysis, and analytical methods employed.

Cost of Proposed Scope of Work and Timeline

Callan proposes a fee of \$40,000 to conduct the work as described above.

We estimate that the project will take 4-5 weeks from the signing of the contract.

Proposed Consulting Team

Janet Becker-Wold, Senior Vice President and Manager

James Van Heuit, Senior Vice President

Alex Browning, Senior Vice President



Janet Becker-Wold, CFA, is a Senior Vice President and the Manager of Callan's Denver Fund Sponsor Consulting office and a shareholder of the firm. Janet joined the investment management business in 1991. Her experience at Callan includes all facets of investment consulting including investment policy analysis, asset and liability studies as well as manager search and structure. She has a particular expertise in international investing and currency management. Her clients include corporate, public and non-U.S. based funds. Janet is a member of Callan's Management, Manager Search, Institute Advisory and Defined Contribution committees.

Janet joined the firm in 1994 from Qwest's (formerly U S WEST) pension fund where she worked in the international equity, fixed income and real estate areas. While at Callan, she has authored white papers on a variety of international investing issues and is a speaker at industry forums.

Janet received an MBA in Finance from the University of Colorado and a BS in Biology from the University of Texas. She earned the right to use the Chartered Financial Analyst designation.



James W. Van Heuit is a senior vice president and a consultant in the Capital Markets Research group. He is responsible for assisting clients with their strategic investment planning, conducting asset allocation studies, developing optimal investment manager structures, and providing custom research on a variety of investment topics. Jim speaks regularly at both the "Callan College" and the Callan Institute. Jim is a shareholder of the firm.

Jim was originally with Callan in the Capital Markets Research group from 1989 to 1997 and returned in 2001. From 2001 through 2004, he was a general consultant in the San Francisco office. From 1997 to 2001, Jim was with consulting firms Watson Wyatt and R.V. Kuhns.

Prior to joining Callan in 1989, Jim participated in the Ph.D. program in economics at the University of Michigan where he studied microeconomics and international economics. Jim's previous experience includes four years as an independent consulting engineer and two years as a design engineer for Ford Aerospace and Communications Corp.

He earned an MA in economics from the University of Michigan and received a BA in economics from California State University at Sacramento. He also earned a BS in mechanical/aeronautical engineering from the University of California.

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022

Regular Agenda

Subject

Negotiated rulemaking for IDAPA 20.03.17 *Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands*

Question Presented

Shall the Land Board authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.17 *Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands*?

Background

The Idaho Department of Lands (Department) manages the beds of navigable lakes and rivers for the benefit of the public. IDAPA 20.03.17 establishes a consistent process to authorize specific encroachments on state-owned submerged lands and collect annual rent for their use. These uses typically include marinas, community docks, nonnavigational encroachments, and oversized private docks, which occupy the state's lakes.

Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter is scheduled to be repealed and replaced in 2022 for review during the 2023 legislative session.

Discussion

The Department anticipates reducing the overall regulatory burden by reducing both total word count and the number of restrictive words in the new rule chapter. The Department will review the rule with stakeholders to ensure that it is right-sized. Preliminary research justifies increasing the application fee and assignment fee to cover the actual costs of processing. These fees have not changed since they were approved in 2008.

A proposed timeline for the rulemaking process is provided in Attachment 1.

Recommendation

Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.17 *Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands*.

Board Action

Attachments

1. Draft rulemaking timeline



Draft Rulemaking Timeline

IDAPA 20.03.17

Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands

February 15, 2022	Approval from Land Board to start negotiated rulemaking (regular agenda)
March 11, 2022	Last day to submit <i>Notice of Intent to Promulgate Rules</i> to the Office of the Administrative Rules Coordinator (OARC) for publication in April
March 2022	Post information on IDL website about this rulemaking
April 6, 2022	<i>Notice of Intent to Promulgate Rules</i> publishes in the Idaho Administrative Bulletin; negotiated rulemaking and public comment period begins
April 13, 2022	Negotiated rulemaking public meeting in McCall and via Zoom
May 18, 2022	Negotiated rulemaking public meeting in Coeur d'Alene and via Zoom
June 17, 2022	End of comment period for negotiated rulemaking
July 19, 2022	Present update on this rulemaking to the Land Board (information agenda)
July 22, 2022	Last day to submit proposed rule to DFM for the 2023 Legislature
August 5, 2022	Last day to submit <i>Notice of Proposed Rule</i> to OARC for the 2023 Legislature
September 7, 2022	Proposed rule publishes in the Idaho Administrative Bulletin and 21-day written public comment period begins
September 21, 2022	Deadline to request a public hearing on proposed rule
September 28, 2022	End of written public comment period on proposed rule
October 18, 2022	Request approval from Land Board to adopt pending fee rule (regular agenda)
November 10, 2022	Last day to submit <i>Notice of Pending Fee Rule</i> to OARC for publication in December 2022
	Pending fee rule to be reviewed during the 2023 legislative session

Note: All dates are subject to change.

STATE BOARD OF LAND COMMISSIONERS

February 15, 2022

Regular Agenda

Subject

Omnibus Rulemaking – Adoption of Temporary Rules

Question Presented

Shall the Land Board adopt conditional temporary rules, to become effective only if the pending rules adopted by the Land Board on October 19, 2021 (as to IDAPA 20.02.01 and 20.03.09) and November 16, 2021, are not otherwise approved or rejected by the 2022 Idaho Legislature?

Background

All existing administrative rules in Idaho expire each year on July 1 unless reauthorized by the legislature.

The administrative rules of the Idaho Department of Lands (Department) are currently in effect as temporary rules. The temporary rules became effective on July 1, 2021 and will remain in effect until the end of the 2022 legislative session.

The Department followed the Administrative Procedure Act, the governor's Zero-Based Regulation executive order, and guidance from the Division of Financial Management (DFM) to submit pending rules for review by the 2022 Idaho Legislature.

Following the Zero-Based Regulation executive order, two rule chapters were re-promulgated in 2021. After negotiated and proposed rulemaking, the Land Board adopted IDAPA 20.02.01, *Rules Pertaining to the Idaho Forest Practices Act* as a pending rule and IDAPA 20.03.09, *Easements on State-Owned Navigable Waterways* as a pending fee rule on October 19, 2021. These rules were submitted to the 2022 Idaho Legislature for review under docket numbers 20-0201-2101 and 20-0309-2101 respectively.

Further, on November 16, 2021, the Land Board adopted omnibus pending non-fee and fee rules. This omnibus rulemaking was the reauthorization of the Department's previously approved rules; no changes were made. These rule chapters were submitted to the 2022 Idaho Legislature for review under docket numbers 20-0000-2100 and 20-0000-2100F.

If approved by the legislature, the pending rules will become final rules. If not approved by the legislature, the administrative rules will expire upon adjournment (*sine die*) of the 2022 legislative session.

Discussion

To ensure the continuity of administrative rules following adjournment of the 2022 legislative session, the governor and his staff have directed all state agencies to adopt omnibus temporary rules (Attachment 1).

The attached draft notices (Attachment 2) list all previously approved rules under IDAPA 20, rules of the Idaho Department of Lands. The majority of the 19 rule chapters under IDAPA 20 are under the authority of the Land Board. IDAPA 20 also includes rules pertaining to the conservation of oil and natural gas in the state of Idaho, authorized by the Idaho Oil and Gas Conservation Commission (Oil and Gas Commission) and rules of the Idaho Board of Scaling Practices (Scaling Board). The Oil and Gas Commission is holding a meeting on February 15, 2022, and the Scaling Board on February 16, 2022, to consider whether to adopt a conditional temporary rule.

All agencies are required to submit an omnibus *Notice of Adoption of Temporary Rule* to DFM by February 28, 2022. The draft notices list all rule chapters under IDAPA 20, rules of the Idaho Department of Lands. These rules are necessary to protect Idaho's natural resources and the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens.

If approved by the Land Board and other approving authorities, the Department will submit the notices of adoption of temporary rules to DFM for publication in a special edition of the Idaho Administrative Bulletin. The rulemaking notices include rules of the Oil and Gas Commission and Scaling Board because those rules are listed in IDAPA 20, the Department of Land's agency rules. However, the Department is not asking the Land Board to adopt the Oil and Gas Commission or Scaling Board rules. The temporary rules will become effective upon adjournment (*sine die*) of the 2022 legislative session.

Recommendation

Adopt as conditional temporary rules all of the Department's administrative rules, as set forth in Attachment 2. The rules will become effective only if the pending rules are not otherwise approved or rejected by the 2022 Idaho Legislature.

Board Action

Attachments

1. February 9, 2022 Memo from DFM: Preparing Administrative Rules for Post-*Sine Die*
2. Notices of Omnibus Rulemaking – Adoption of Temporary Rules (draft)



State of Idaho
DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

BRAD LITTLE
Governor

ALEX J. ADAMS
Administrator

February 9, 2022

MEMORANDUM

TO: Executive Branch Agency/Department Heads
Rules Review Officers

FROM: Alex J. Adams

SUBJECT: **Preparing Administrative Fee Rules for Post-Sine Die**

Once more, in order to ensure the continuity of administrative rules following the adjournment of the 2022 Legislative session, this memo outlines the fee rule reauthorization process that agencies will need to complete prior to **February 28, 2022**. While each agency must take these steps now, these temporary fee rules are conditional and will only become effective at *sine die* if the pending fee rules submitted to the 2022 Legislative session are not otherwise approved or rejected in part by concurrence of the Legislature.

1. Agencies must submit a completed Notice of Adoption of Temporary Rule form to DFM by February 28th.
 - A template Notice is enclosed for fee rules.
 - Rules should be adopted as submitted to the 2022 Legislature.
 - a. Fee Rules expire upon *sine die* if not approved by the legislature.
 - b. Non-Fee Rules are likely to become final and effective unless specifically rejected by concurrent resolution of both the House and Senate.
 - No ARRF will be required.
 - Please submit completed Notices to adminrules@dfm.idaho.gov.
2. If rulemaking authority is vested in a board or commission – not agency staff – the board or commission must convene to properly authorize the Notice. 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 February 28th 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.

The Governor has also found that the fee(s) or charge(s) being imposed or increased is/are justified and necessary to avoid immediate danger to the agency/department/board/commission's budget, to the state budget, to necessary state functions and services, and to avoid immediate danger of a potential violation of Idaho's constitutional requirement that it balance its budget.

Therefore, we are adopting this temporary rule to be effective upon *sine die* of the 2022 session of the Idaho Legislature. This action is conditional and will only become effective if the rules are not otherwise approved or rejected in part by the Legislature.”

3. DFM will publish the fee notices of temporary rulemaking shortly after *sine die* with the rules having an effective date as of *sine die*.
4. For these temporary rules only, agencies do not have to accept written comments pursuant to Idaho Code § 67-5222(a) as its requirement and deadline applies to “publication of the notice of *proposed* rulemaking in the bulletin” (emphasis added). The fee rules were acted upon in open public meetings/hearings that allowed public comment throughout the 2021 rulemaking process.
5. 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.

The logo of the Idaho Department of Lands is a large, stylized diamond shape. It features a light green background with a yellow border. Inside the diamond, there is a faint, larger diamond shape. The text "IDAHO DEPARTMENT OF LANDS" is written in a bold, sans-serif font across the center of the logo.

IDAHO DEPARTMENT OF LANDS

IDAPA 20 – IDAHO DEPARTMENT OF LANDS

DOCKET NO. 20-0000-2200

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 upon adjournment of the second regular session of the 66th Idaho State Legislature (*sine die*).

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 rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 20, rules of the Idaho Department of Lands:

- 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 – including revisions in pending rule docket 20-0201-2101; and
- 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 rules, contact Scott Phillips at (208) 334-0294.

DATED this 28th day of February 2022.

Dustin Miller
Director
Idaho Department of Lands
300 N. 6th St, Suite 103
P.O. Box 83720
Boise, Idaho 83720-0050
Phone: (208) 334-0242
Fax: (208) 334-3698
rulemaking@idl.idaho.gov

IDAPA 20 – IDAHO DEPARTMENT OF LANDS

DOCKET NO. 20-0000-2200F (FEE RULE)

NOTICE OF OMNIBUS RULEMAKING - ADOPTION OF TEMPORARY FEE 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 upon the adjournment date of the second regular session of the 66th Idaho State Legislature (*sine die*).

AUTHORITY: In compliance with Section 67-5226, Idaho Code, notice is hereby given that this agency has adopted temporary rules. The action is authorized pursuant to:

- Sections 38-132 and 38-402, Idaho Code;
- Title 38, Chapter 12, including Section 38-1208, Idaho Code;
- Title 47, Chapters 3, 7, 8, 13, 15, 16 and 18, including Sections 47-314(8), 47-315(8), 47-328(1), 47-710, 47-714, and 47-1316, Idaho Code;
- Title 58, Chapters 1, 3, 6, 12 and 13, including Sections 58-104, 58-105, 58-127, and 58-304 through 58-312, Idaho Code;
- Title 67, Chapter 52, Idaho Code;
- Article IX, Sections 7 and 8 of the Idaho Constitution; and
- The Equal Footing Doctrine (Idaho Admission Act of July 3, 1890, 26 Stat. 215, Chapter 656).

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

This temporary rulemaking adopts the following rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 20, rules of the Idaho Department of Lands:

- 20.02.14, Rules for Selling Forest Products on State-Owned Endowment Lands;
- 20.03.01, Rules Governing Dredge and Placer Mining Operations in Idaho;
- 20.03.02, Rules Governing Mined Land Reclamation;
- 20.03.03, Rules Governing Administration of the Reclamation Fund;
- 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho;
- 20.03.05, Riverbed Mineral Leasing in Idaho;
- 20.03.08, Easements on State-Owned Lands;
- 20.03.09, Easements on State-Owned Navigable Waterways – including revisions in pending fee rule docket 20-0309-2101;
- 20.03.13, Administration of Cottage Site Leases on State Lands;
- 20.03.14, Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases;
- 20.03.15, Rules Governing Geothermal Leasing on Idaho State Lands;
- 20.03.16, Rules Governing Oil and Gas Leasing on Idaho State Lands;
- 20.03.17, Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands; and
- 20.04.02, Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws.

The Idaho Board of Scaling Practices adopts the following temporary rule under IDAPA 20.06:

- 20.06.01, Rules of the Idaho Board of Scaling Practices – including revisions in pending fee rule docket 20-0601-2101.

The Oil and Gas Conservation Commission adopts the following temporary rule under IDAPA 20.07:

- 20.07.02, Rules Governing Conservation of Oil and Natural Gas in the State of Idaho.

TEMPORARY RULE JUSTIFICATION: Pursuant to Sections 67-5226(1) and 67-5226(2), 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 the 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.

The rules of the Idaho Department of Lands serve the public interest by, for example, ensuring landowners, royalty owners, producers, and the public realize and enjoy the greatest good from the state's vital natural resources like oil, natural gas, and minerals. The rules also serve the public interest by, for example, regulating forestland management practices to maintain and enhance benefits such as job creation, tax generation, and distributions to endowment beneficiaries, and by conserving resources such as forest tree species, soil, air, water, and wildlife habitat.

FEE SUMMARY: Pursuant to Section 67-5226(2), the Governor has found that the fees or charges being imposed or increased is justified and necessary to avoid immediate danger and the fees are described herein:

The fees or charges, authorized in Sections 38-122, 38-404, 38-1209, 47-315(5)(e), 47-316, 47-710, 47-805, 47-1506(g), 47-1508(f), 47-1316, 47-1317, 47-1605, 47-1803, 58-104, 58-105, 58-127, 58-304, 58-601, 58-603, and 58-1307, Idaho Code, are part of the agency's 2023 budget that relies upon the existence of these fees or charges to meet the state's obligations and provide necessary state services. Failing to reauthorize these temporary rules would create immediate danger to the state budget, immediate danger to necessary state functions and services, and immediate danger of a violation of Idaho's constitutional requirement that it balance its budget and that the Land Board fulfill its constitutional fiduciary obligation to endowment beneficiaries.

The following is a specific description of the fees or charges:

- 20.02.14 – Stumpage payments and associated bonding for removal of state timber from endowment land pursuant to timber sales. This charge is being imposed pursuant to Sections 58-104, 58-105 and 58-127, Idaho Code.
- 20.03.01 – Application fee, amendment fee, and inspection fee for all dredge and placer permits in the state of Idaho. This fee is being imposed pursuant to Sections 47-1316 and 47-1317, Idaho Code.
- 20.03.02 - Application fee for permanent closure plans and reclamation plans and amendments to those plans. This fee is being imposed pursuant to Sections 47-1506(g) and 47-1508(f), Idaho Code.
- 20.03.03 – Annual payment for Reclamation Fund participation. This charge is being imposed pursuant to Section 47-1803, Idaho Code.
- 20.03.04 – Application fees for encroachment permits and assignments and deposits toward the cost of newspaper publication. This fee is being imposed pursuant to Sections 58-127 and 58-1307, Idaho Code.
- 20.03.05 – Fees for applications, advertising applications, and approval of assignments for riverbed mineral leases and exploration locations. This fee is being imposed pursuant to Section 47-710, Idaho Code.
- 20.03.08 – Application fee, easement consideration fee, appraisal costs, and assignment fee for easements on state-owned lands. This fee is being imposed pursuant to Sections 58-127, 58-601, and 58-603, Idaho Code.
- 20.03.09 – Administrative fee, appraisal costs, and assignment fee for easements on state-owned navigable waterways. This fee is being imposed pursuant to Sections 58-104, 58-127 and 58-603, Idaho Code.
- 20.03.13 – Annual rental payment paid to the endowment for which the property is held. This charge is being imposed pursuant to Section 58-304, Idaho Code.

- 20.03.14 – Lease application fee, full lease assignment fee, partial lease assignment fee, mortgage agreement fee, sublease fee, rental payment, late rental payment fee, minimum lease fee, and lease payment extension request fee on state endowment trust lands. This fee or charge is being imposed pursuant to Section 58-304, Idaho Code.
- 20.03.15 – Application fee, assignment fee, late payment fee, royalty payments, and annual rental payment for geothermal leases on state-owned lands. This fee or charge is being imposed pursuant to Sections 47-1605 and 58-127, Idaho Code.
- 20.03.16 – Exploration permit fee, nomination fee, processing fee, royalty payments, and annual rental payment for oil and gas leases on endowment lands. This fee or charge is being imposed pursuant to Sections 47-805 and 58-127, Idaho Code.
- 20.03.17 – Application fee, rental rate, and assignment fee for leases on state-owned submerged lands and formerly submerged lands. This fee is being imposed pursuant to Sections 58-104, 58-127 and 58-304, Idaho Code.
- 20.04.02 – Fee imposed upon the harvest and sale of forest products to establish hazard management performance bonds for the abatement of fire hazard created by a timber harvest operation, and fees imposed upon contractors for transferring fire suppression cost liability back to the State. This fee or charge is being imposed pursuant to Sections 38-122 and 38-404, Idaho Code.
- 20.06.01 – Scaling assessment fee paid to a dedicated scaling account for all scaled timber harvested within the state of Idaho; administrative fees for registration, renewal, and transfer of log brands; fees for testing and issuance of a temporary scaling permit, specialty scaling license, and standard scaling license; fee to renew a specialty or standard scaling license; and fee for a requested check scale involving a scaling dispute. This fee is being imposed pursuant to Section 38-1209, Idaho Code.
- 20.07.02 – Bonding for oil and gas activities in Idaho and application fees for seismic operations; permit to drill, deepen or plug back; multiple zone completions; well treatment; pits and directional deviated wells. This fee or charge is being imposed pursuant to Sections 47-315(5)(e) and 47-316, Idaho Code.

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

DATED this 28th day of February 2022.

Dustin Miller
 Director
 Idaho Department of Lands
 300 N. 6th St, Suite 103
 P.O. Box 83720
 Boise, Idaho 83720-0050
 Phone: (208) 334-0242
 Fax: (208) 334-3698
rulemaking@idl.idaho.gov



IDAHO PROGRESS REPORT

Update December 2021



Approximately 12.6 million acres of the 20.4 million acres of National Forest lands in Idaho are suitable for active management.

In accordance with the 2014 Farm Bill and amended Healthy Forests Restoration Act, 6.1 million of these acres have been designated for treatment due to the threat of insect and disease outbreaks.

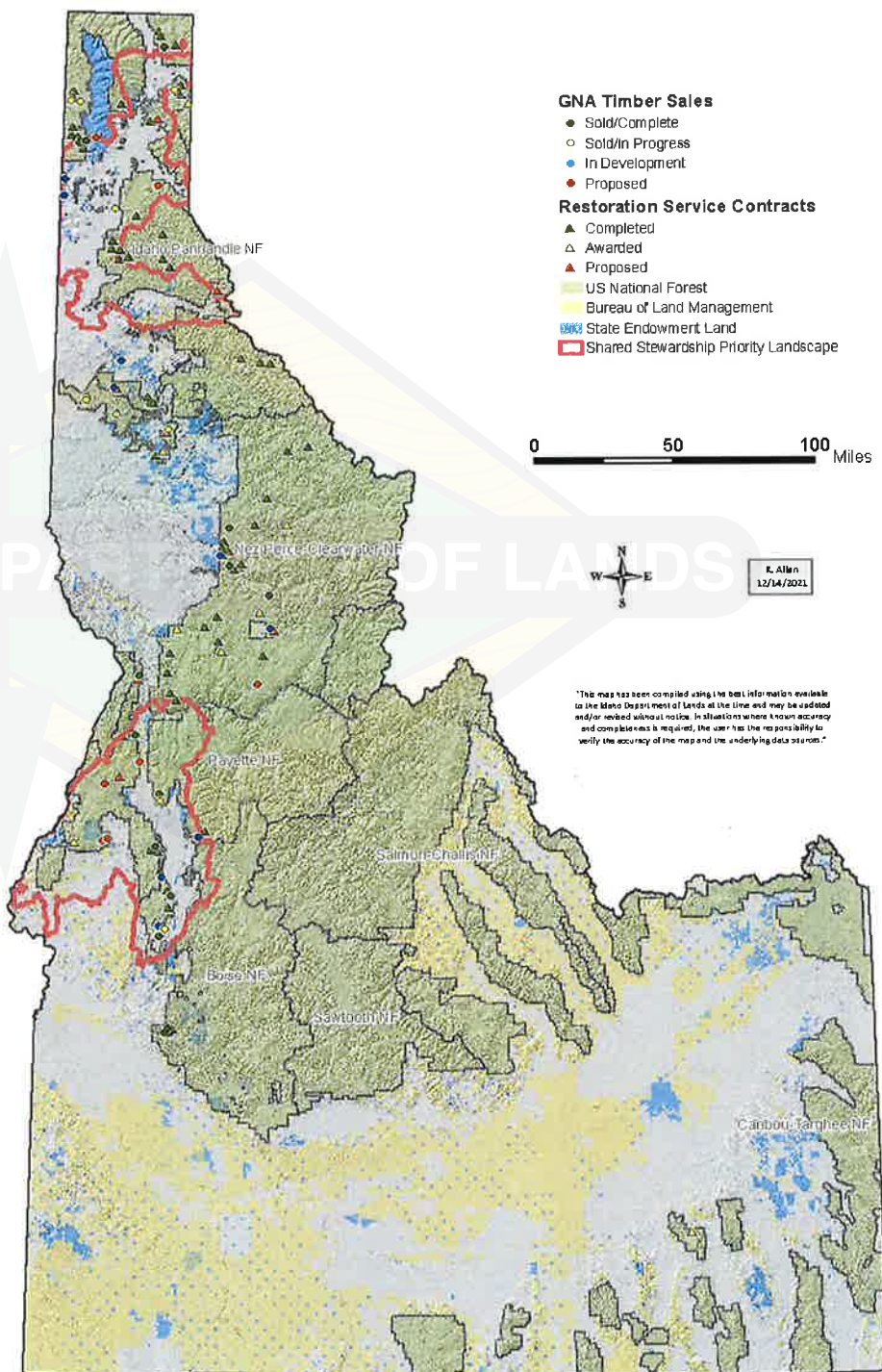
Using advanced scientific tools and spatial analyses, IDL and the U.S. Forest Service identified two Shared Stewardship priority landscapes to maximize resources to protect communities and mitigate threats to Idaho's forests.

To address the situation, the 2015 Idaho Legislature passed Senate Concurrent Resolution 126 requesting the Idaho Department of Lands to develop Good Neighbor Authority agreements with federal agencies to carry out forest, rangeland and watershed restoration activities on federal lands within Idaho.

Since 2016, IDL has worked in partnership with federal land management agencies to carry out management activities under the Good Neighbor Authority. GNA authorizes IDL to utilize state processes and personnel to assist the USFS and Bureau of Land Management with authorized restoration activities.

The 2018 Agreement for Shared Stewardship between the state of Idaho and Regions 1 and 4 of the USFS formalized interagency efforts to prioritize and expedite landscape level treatments focused on fuels reduction and improved forest, rangeland, and watershed conditions.

The information reported here summarizes GNA project accomplishments by IDL and cooperating agencies from 2016 to 2021.



For more information visit idl.idaho.gov

Work on federal lands in Idaho



6

Agreements

5

National Forests

1

BLM District

Agreements since program initiation
have resulted in:

Restoration Service Work

Activities

on

5 National Forests

1 BLM District



65 contracts = \$1.9 million in contracts awarded, supporting private sector jobs

- FUELS REDUCTION
- PRESCRIBED BURNS
- ROAD MAINTENANCE
- STREAM PROTECTION
- ROAD BRUSHING AND GRADING
- REFORESTATION
- NOXIOUS WEED TREATMENTS
- BRIDGE AND CULVERT REPAIR
- FOREST PLAN MONITORING
- POST-TREATMENT MONITORING
- USFS TIMBER SALE PREPARATION



Timber Sales

38 Sales

15 sold and completed
10 sold and in progress
13 in development

on

4 National Forests

ACRES PLANNED
5,445

18,374
TREATMENT
ACRES

ACRES IN DEVELOPMENT
4,709

ACRES SOLD AND COMPLETED
4,471

ACRES SOLD AND IN PROGRESS
3,749



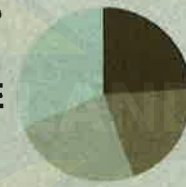
MMBF PLANNED
60.5

TIMBER VOLUME
195 MMBF

MMBF IN DEVELOPMENT
47.7

MMBF SOLD/COMPLETE
47

MMBF SOLD/IN PROGRESS
39.8

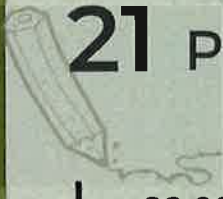


Contract NEPA Services

21 Projects

on

4 National Forests



39 CONTRACTS

\$3 MILLION IN
AWARDED CONTRACTS

- HYDROLOGY
- BOTANY
- HERITAGE
- WILDLIFE
- SOILS
- FISHERIES
- FOREST STAND EXAMS

60,297 ACRES



2021

Accomplishments

Awarded 6 timber sales, which will generate approximately 15 million board feet of timber, treat 1,672 acres, and generate \$3.3 million

Awarded 7 contracts for NEPA services in excess of \$300,000

Administered operations on 16 active timber sales

Assisted in field preparations of approximately 1,100 acres on USFS timber sales

Awarded 31 service contracts in excess of \$1 million

Replaced 51 culverts

Graded 67 miles of road

Treated 226 miles of road for noxious weeds

Decommissioned 9 miles of road

Delivered 2,467 truck loads of logs from GNA timber sales

#NOBOUNDARIESFORESTRY

Shared Stewardship Success: 2019 through 2021

It takes all of us

The group effort known as Shared Stewardship is taking place in many states. In Idaho, these efforts fall under our No Boundaries Forestry collective efforts. Idaho is addressing more than 6 million acres of Idaho forestlands that are designated as high-risk for potential catastrophic wildfire and insect and disease outbreaks. We need the support and participation of federal, state, industrial and family forest landowners to reach our goals.



The Idaho Department of Lands, the USDA Forest Service and the Natural Resources Conservation Service are sharing staff, funding, and are joining with a governor-appointed advisory group to identify mutual priorities and cross-boundary forest management opportunities.

History and Relationships

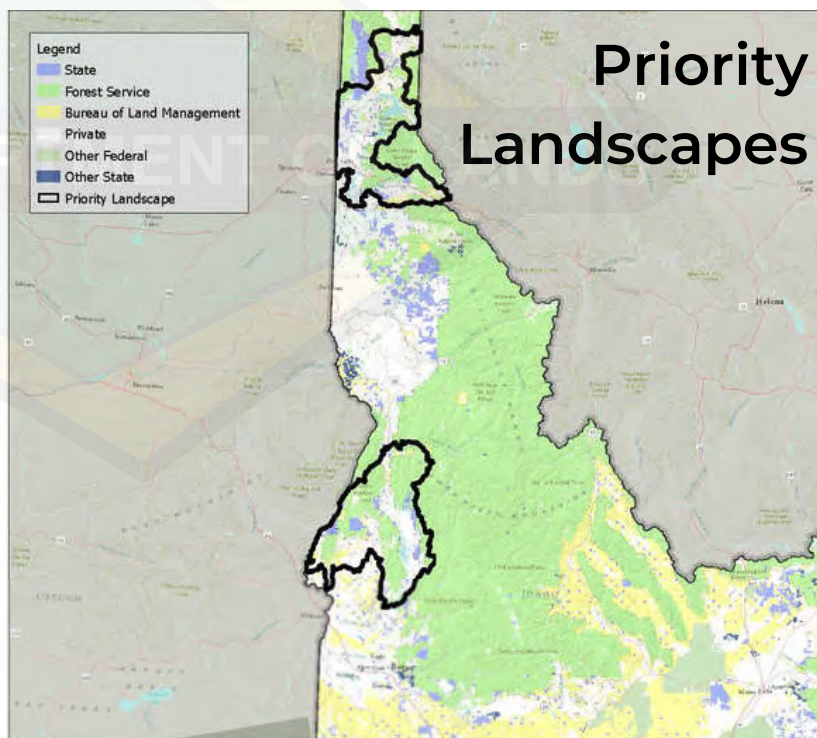
The Idaho Shared Stewardship Initiative was established in 2018 with the signing of an agreement between IDL and the USFS, with goals of doubling the number of acres treated on Idaho's national forests and coordinating cross-boundary projects across multiple ownerships of the state's forestlands.

These projects are designed to mitigate the risk to timber and communities posed by millions of acres of Idaho forests designated as "high risk" for potential catastrophic wildfire and insect and disease damage.

In 2019, Governor Little appointed 18 members, representing 16 different interests, to serve on the Governor's Shared Stewardship Advisory Group (SSAG). This group, in cooperation with Idaho's Shared Stewardship team, has finalized a list of accomplishment metrics, or KPIs, to help define "success" of our cross-boundary efforts across the state.

Shared Stewardship, following on the heels of successful GNA relationships built with the USFS and the BLM, brought together cross-boundary planning and implementation teams consisting of national forest ranger districts, BLM districts, NRCS District Conservationists, IDL Private Forestry Specialists, IDL GNA-Shared Stewardship Foresters, contracted forestry consultants, and long-term sub-grantees (or cooperators) to start education, outreach and landowner-assistance activities to acquire buy-in and enthusiasm from private forestland owners. These teams meet regularly to plan and implement fuels-reduction treatments on private forestlands.

v0211



There are two priority landscapes, one in northern Idaho associated with Bonner and Kootenai counties and the Idaho Panhandle National Forests. The other is in southern Idaho, associated with Valley, Adams and Gem counties and the Boise and Payette National Forests.

Landowner Outreach



Without landowner participation, this area could be left with a patchwork quilt of isolated forest improvements in high-risk areas. What we need is contiguous resilient landscapes across ownership boundaries to reduce large-scale fires and epidemics of insects and disease.



Completed

Two rounds of outreach post-card mail-outs to targeted landowners in the northern and southern priority landscapes. This marketing post-card (on right) includes a self-addressed stamped return post-card that landowners can drop in the mail and a QR code enabling landowners to put information directly into IDL's database of targeted forestlands.

#NOBOUNDARIESFORESTRY

THIN THE THREAT

Forest have risks - We have solutions

How \$450,000 in annual legislative funding went to work

✓ **Projects:** These funds, combined with granted federal funds, are supporting the implementation of needed treatments on additional private forestlands in our cross-boundary project areas. Some funding is being used to facilitate unexpected (and un-budgeted) fuels-reduction operations on state endowment forestlands in these same areas.

✓ **Outreach:** Dollars went toward facilitating marketing, outreach, and educational efforts to gain buy-in from targeted private landowners, garner interest from a wider set of partners, and attract additional funding sources to support cross-boundary treatments on Idaho forestlands.

✓ **People:** State funds supplied partial salaries of two USFS regional "shared Stewardship coordinators, support of three contracted forestry consultants, and partial salaries of two IDL GNA-Shared Stewardship foresters.

✓ **Education:** Funds supported additional UI Extension Forestry Short-Course classes for targeted private landowners in Bonner County, and provided additional printing and distribution of informational materials on fire-risk reduction practices developed by Idaho Firewise and other fire-prevention organizations.

Project Highlights

- In the **Northern Priority Landscape**, over the last year, 2,905 acres of the Idaho Panhandle National Forests (IPNF) were harvested, thinned or received fuels-reduction treatments, with 492 acres administered by IDL's GNA foresters. Over 6,500 additional acres will have GNA-administered treatments done in the IPNF's Scattered Lands project over the next 5 years.
- In the **Scattered Lands Focal Area**, approximately 170 acres of private forestlands have been treated in Bonner County over the last year, and over 70 additional acres are in the 2022 application queue to receive treatments supported by NRCS EQIP funds.
- In the **Southern Priority Landscape**, the Boise and Payette National Forests have implemented harvesting or fuels-reduction treatments on 12,502 acres, with 1,020 acres administered by IDL's GNA foresters, and almost 70 acres of private neighboring forestlands were treated in Valley County. In addition, about 30 acres of Idaho DEQ forestlands, adjacent to the Tamarack ski resort, have been thinned and received mechanical fuel-reduction treatments. This parcel is now an educational demonstration site, marketing these needed fuels treatments to over 300 adjacent private landowners in the Tamarack neighborhood.



#NOBOUNDARIESFORESTRY

Good Neighbor Authority & Shared Stewardship *Cross-Boundary Cooperation*

Ara Andrea
Idaho Shared Stewardship Coordinator

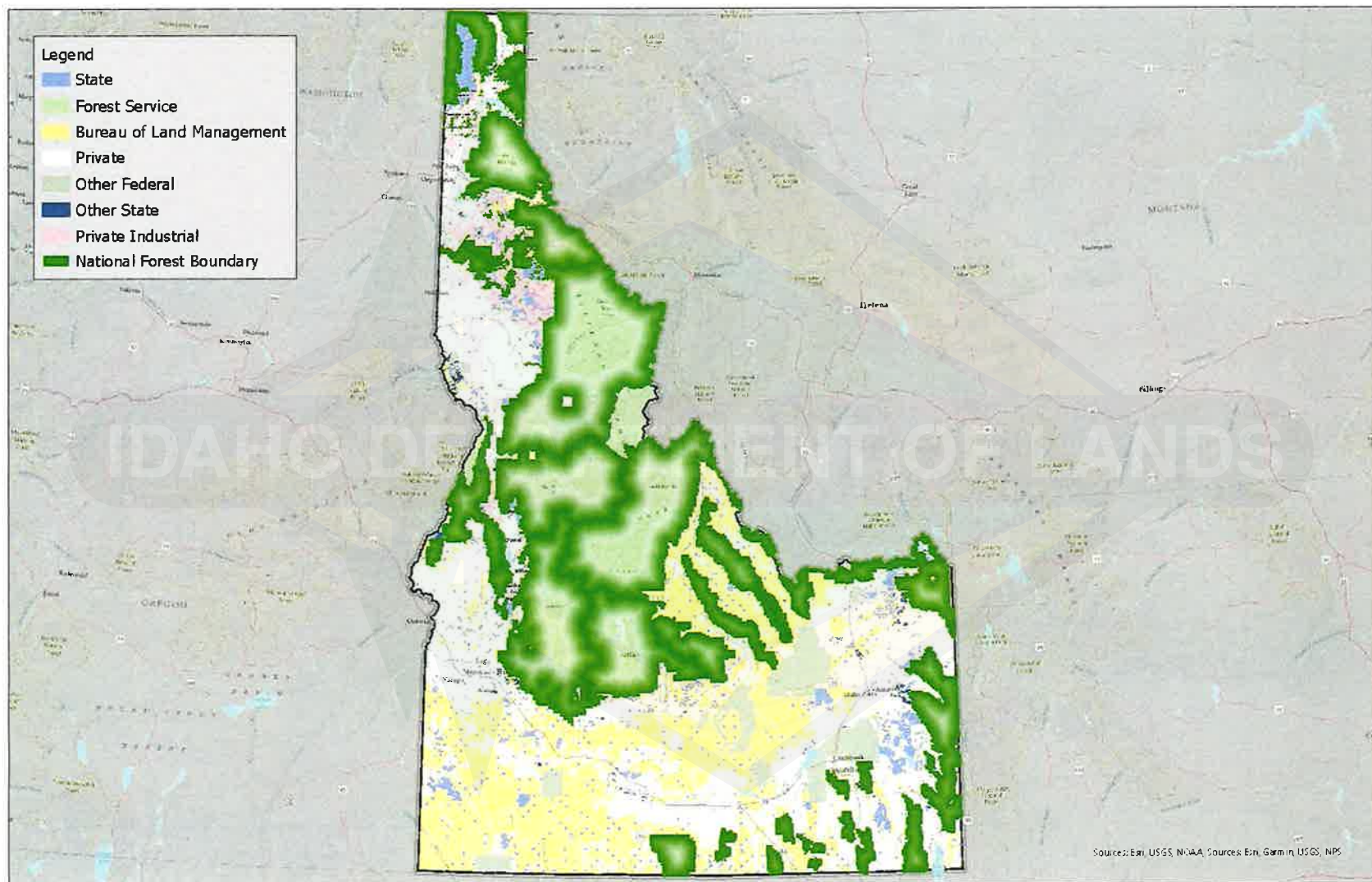
Jon Songster
GNA Bureau Chief

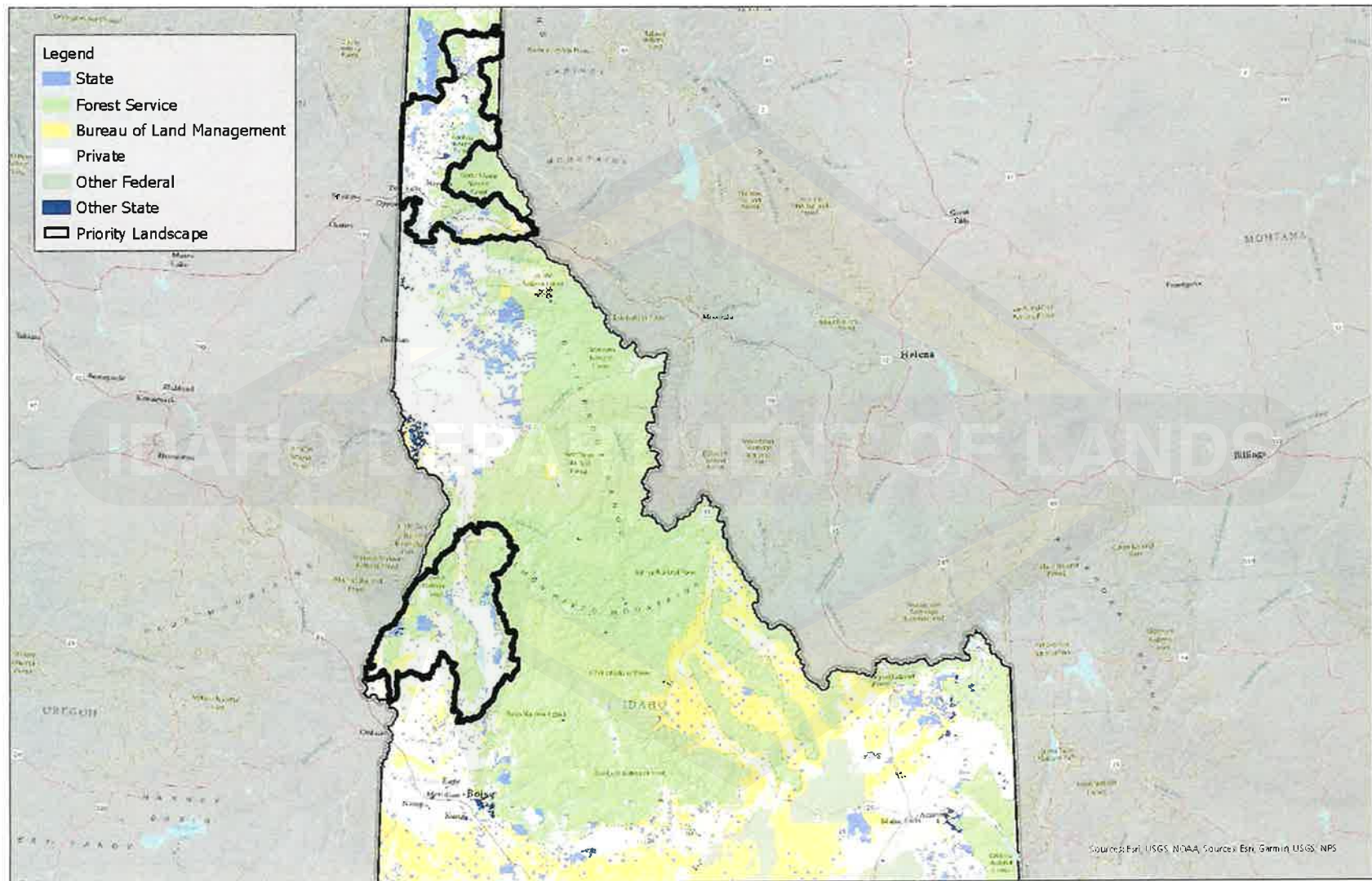


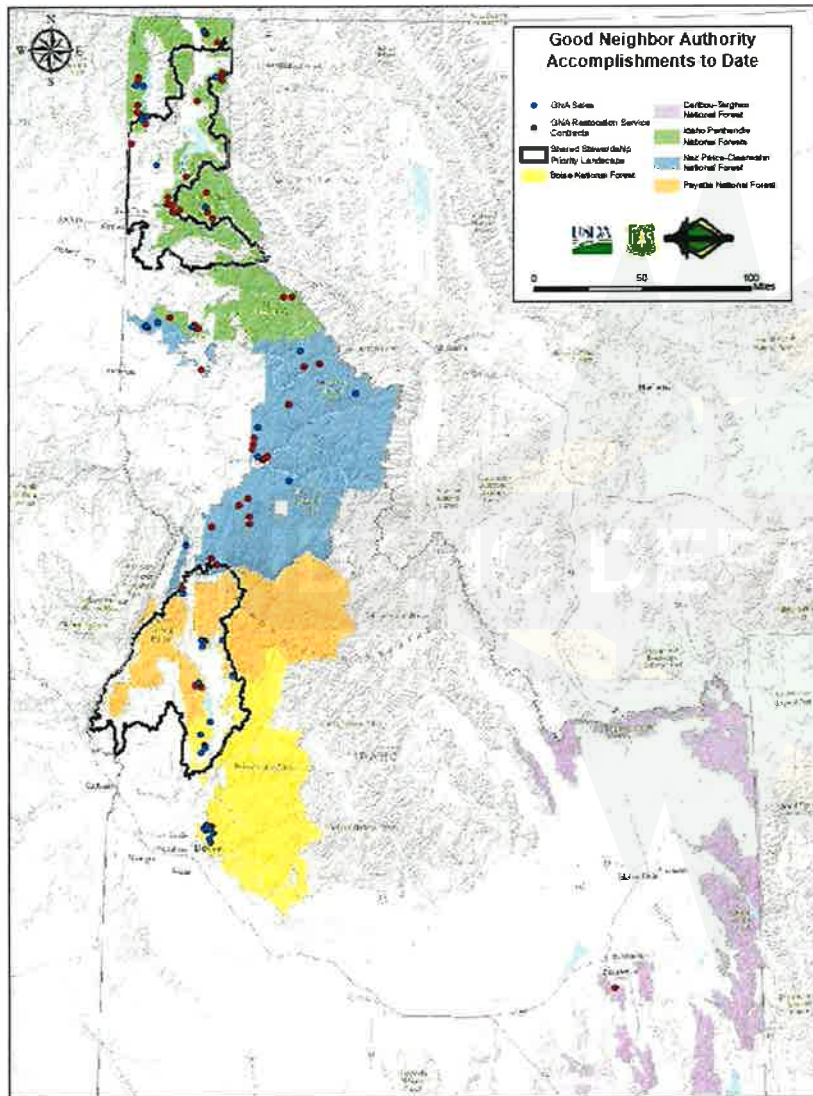
IDAHO SHARED STEWARDSHIP

How is this All-Hands, All-Lands Approach Working?

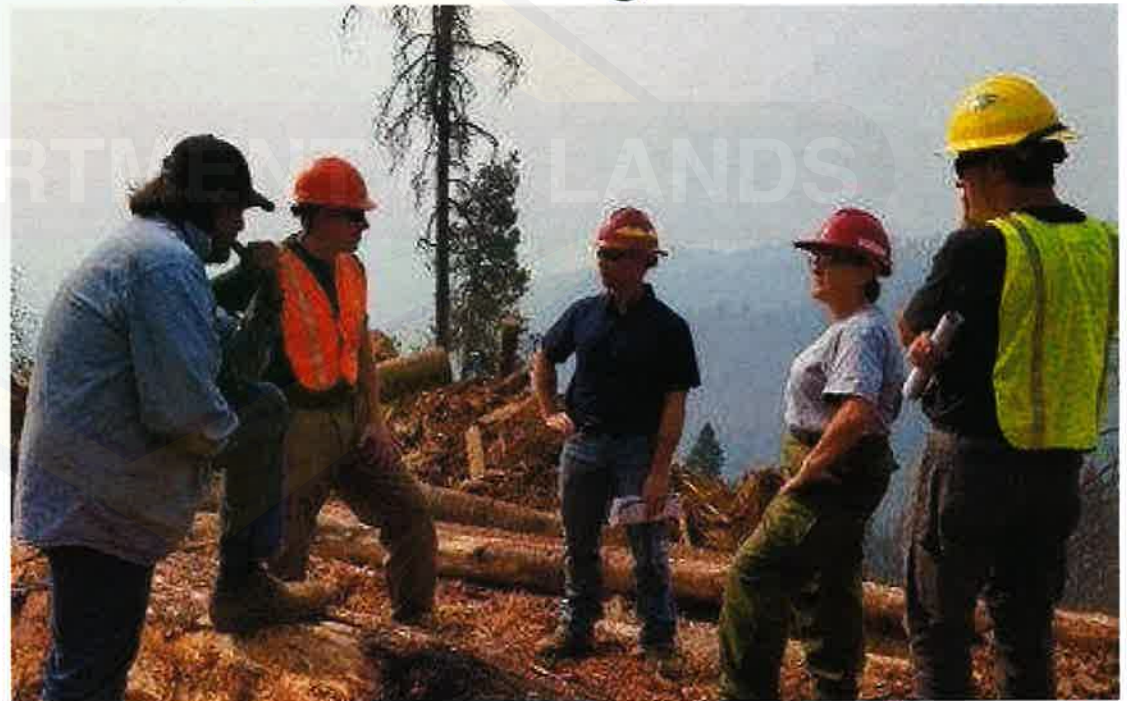








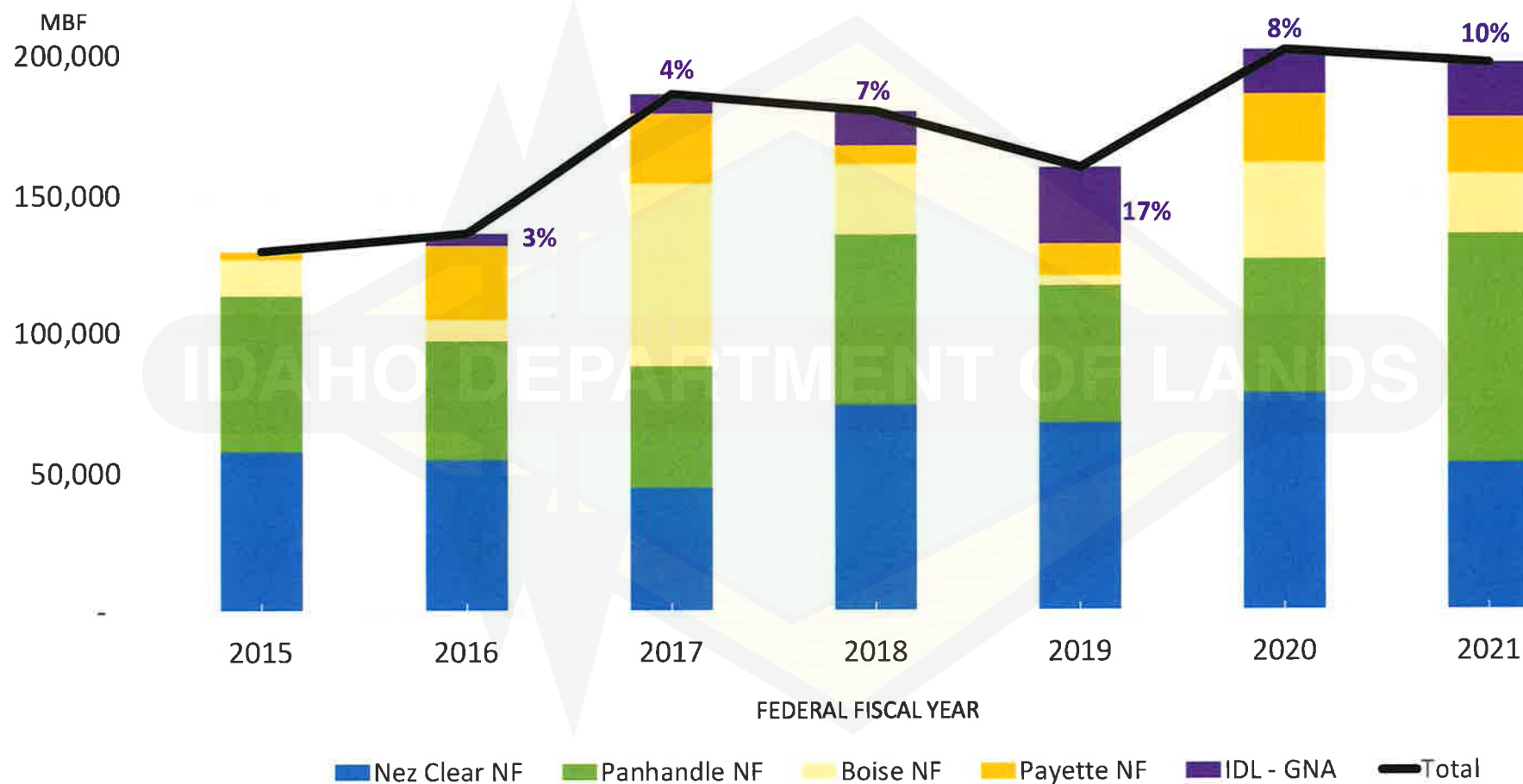
GNA GOOD NEIGHBOR AUTHORITY



Vegetation Treatments - GNA Timber Sales

	AWARDED TIMBER SALES	TOTAL TREATMENT ACRES	MILLION BOARD FEET SOLD	NET TIMBER SALE VALUE	TIMBER SALE RECIEPTS
State FY2021	8	2,230 AC	22.3 MMBF	\$3.6 M	\$1.4 M
FY2017 – to date	27	8,286 AC	88 MMBF	\$15.3 M	\$8.8 M

ANNUAL TIMBER SALE VOLUME SOLD FROM PARTNERING NATIONAL FORESTS IN IDAHO



*Data Source: USFS Cut and Sold Reports, Nez Perce - Clearwater, Idaho Panhandle, Payette, Boise National Forests

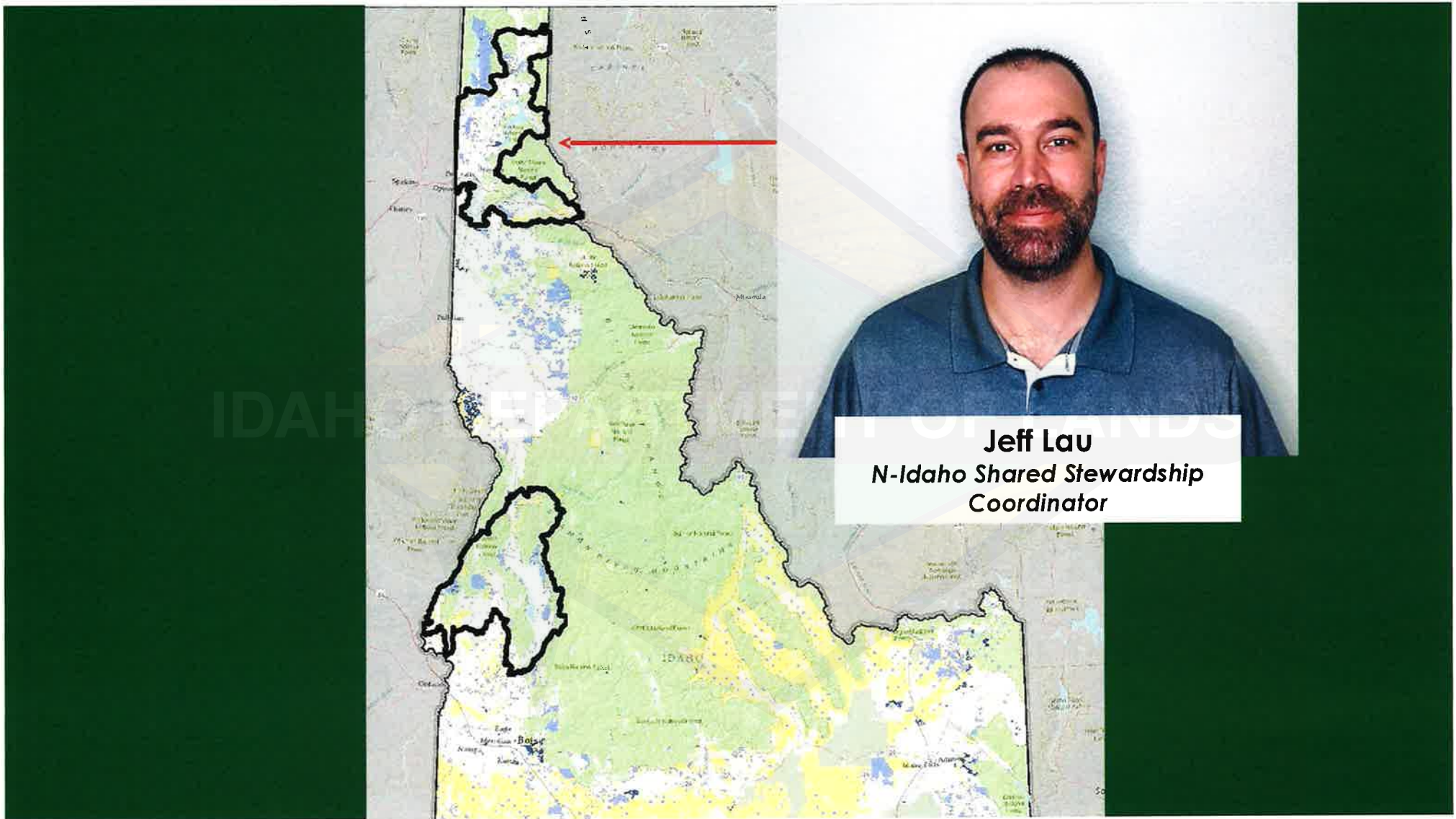
Building a *Self-Sustaining Program*

NATIONAL FOREST	ANNUAL PROGRAM COST	FY21 SALE REVENUE	CURRENT CASH BALANCE	SALE REVENUE TO DATE
Idaho Panhandle	\$475,000	\$536,426	\$3,684,558	\$4,493,626
Nez-Clear	\$325,000	\$332,112	\$1,437,388	\$3,283,173
Payette	\$250,000	\$0	\$396,097	\$396,097
Boise	\$250,000	\$536,426	\$323,896	\$783,632
TOTAL	\$1,300,000	\$1,404,964	\$5,841,939	\$8,796,533

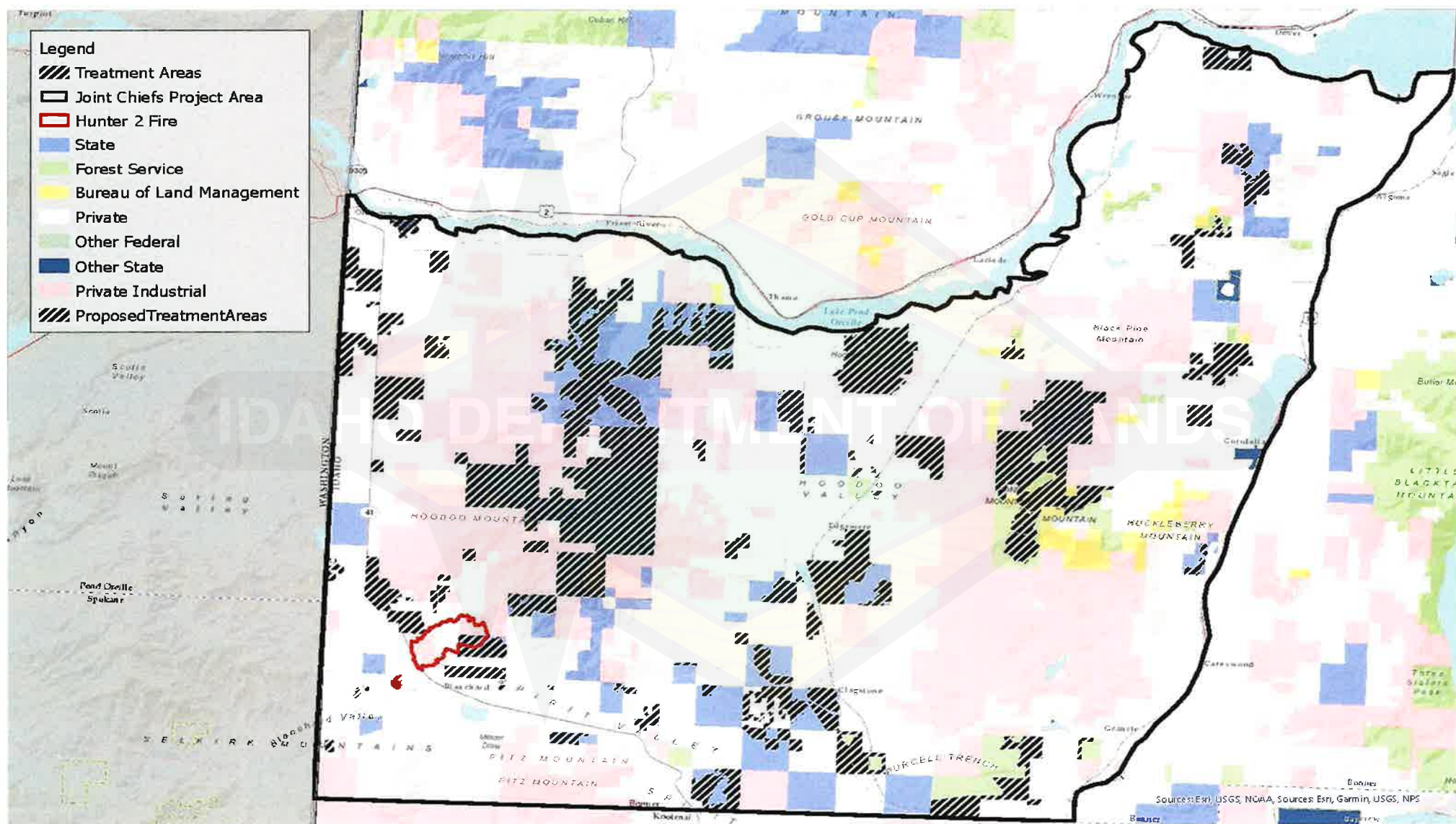
FY21 Personnel Expenses = \$1.1 M, FY21 Operating Expenses excluding contracted restoration services = \$120k

Restoration Service Contracts





Jeff Lau
**N-Idaho Shared Stewardship
Coordinator**



IDAHO SHARED STEWARDSHIP PARTNERS

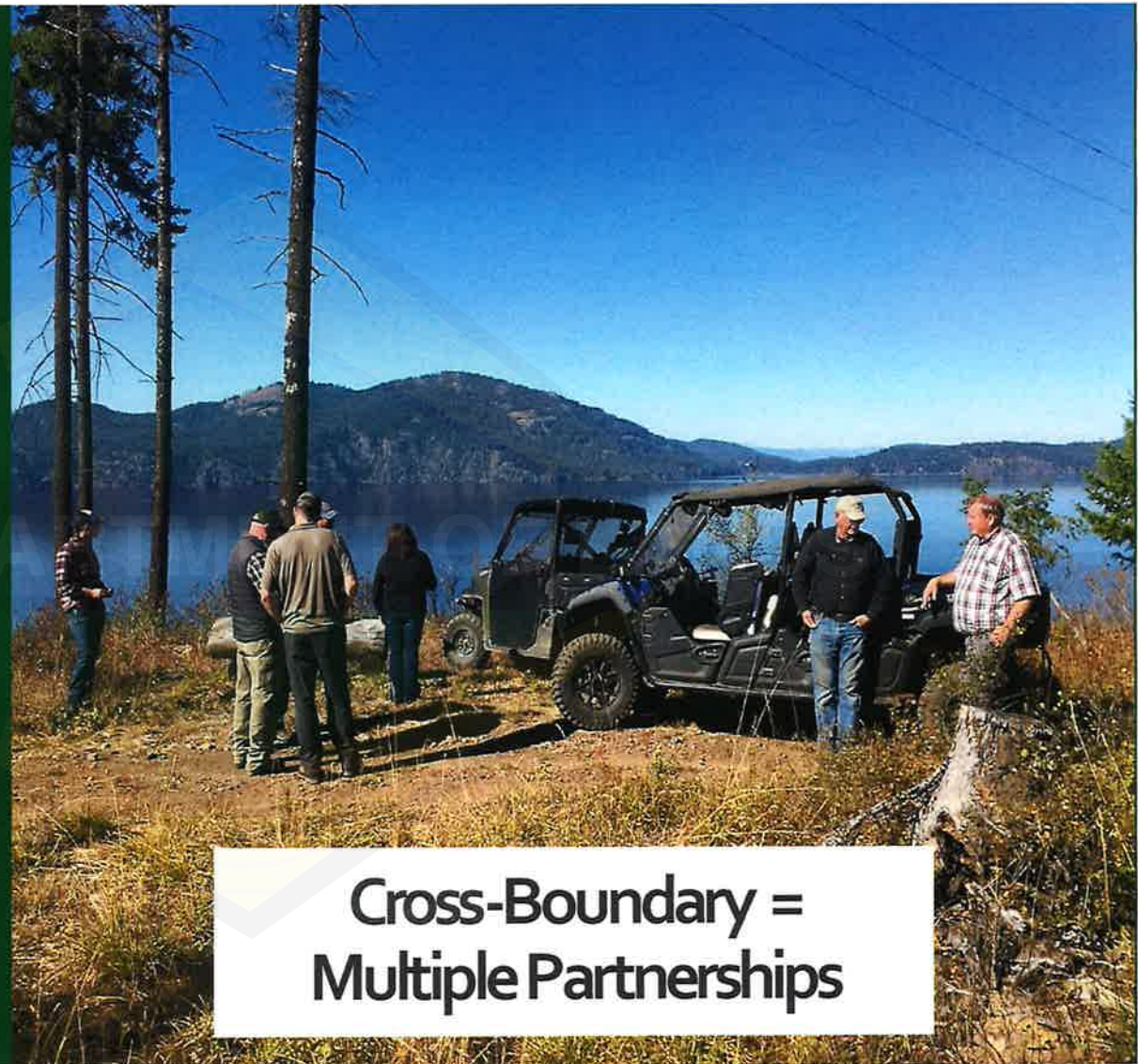
- * IDL/USFS S² Coordinator
- * Contracted Forestry Consultant
- * IDL GNA/Shared Stewardship Forester
- * Cooperators (Sub-grantees)
- * UI Forestry Extension
- * NRCS Dist. Conservationist
- * IDL PFS
- * USFS District Ranger and team
- * Avista Utilities



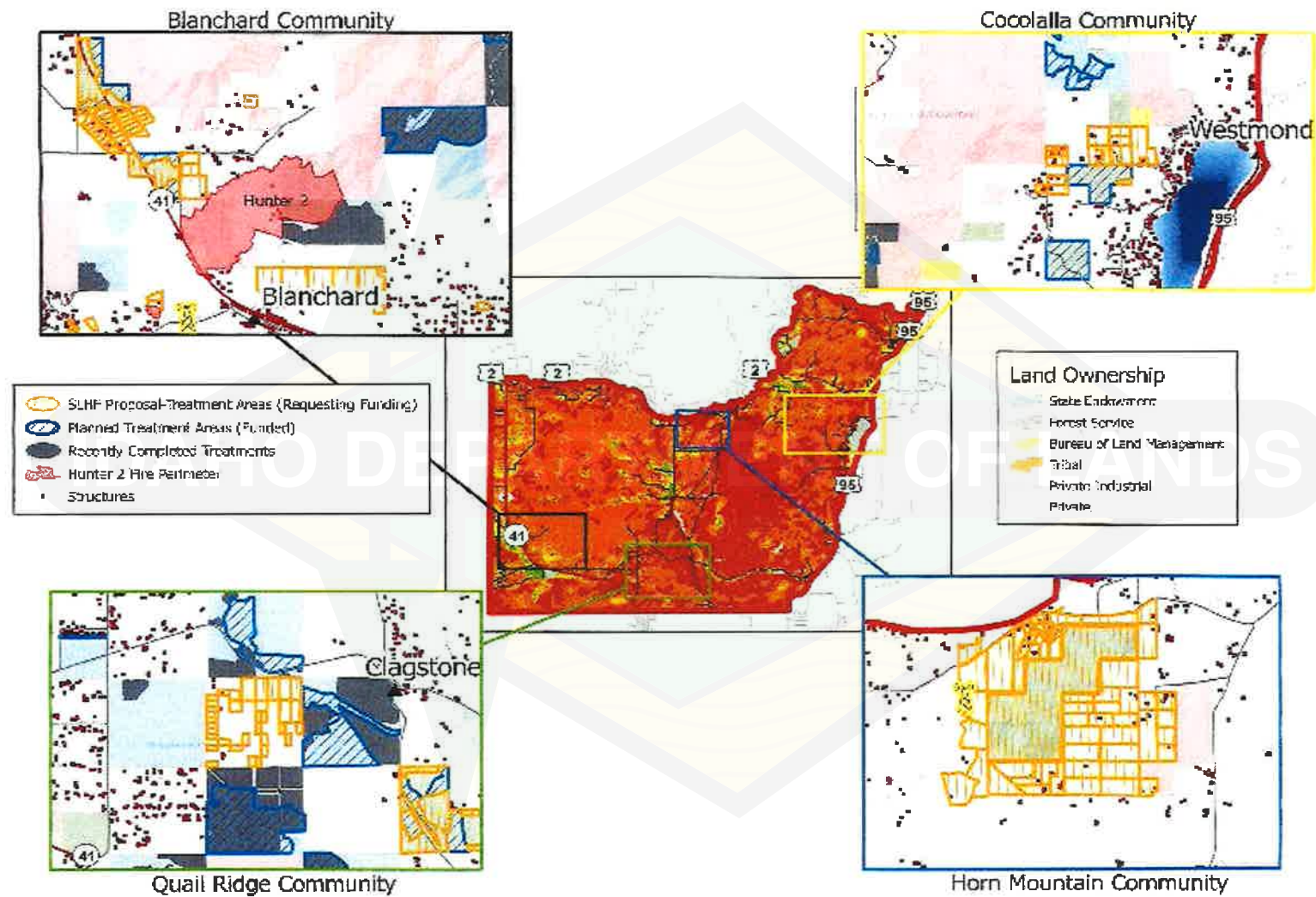
Cross-Boundary =
Multiple Partnerships

IDAHO SHARED STEWARDSHIP PARTNERS

- * IDL/USFS S² Coordinator
- * Contracted Forestry Consultant
- * IDL GNA/Shared Stewardship Forester
- * Cooperators (Sub-grantees)
- * UI Forestry Extension
- * NRCS Dist. Conservationist
- * IDL PFS
- * USFS District Ranger and team
- * Avista Utilities



**Cross-Boundary =
Multiple Partnerships**



#NOBOUNDARIESFORESTRY

THIN THE THREAT

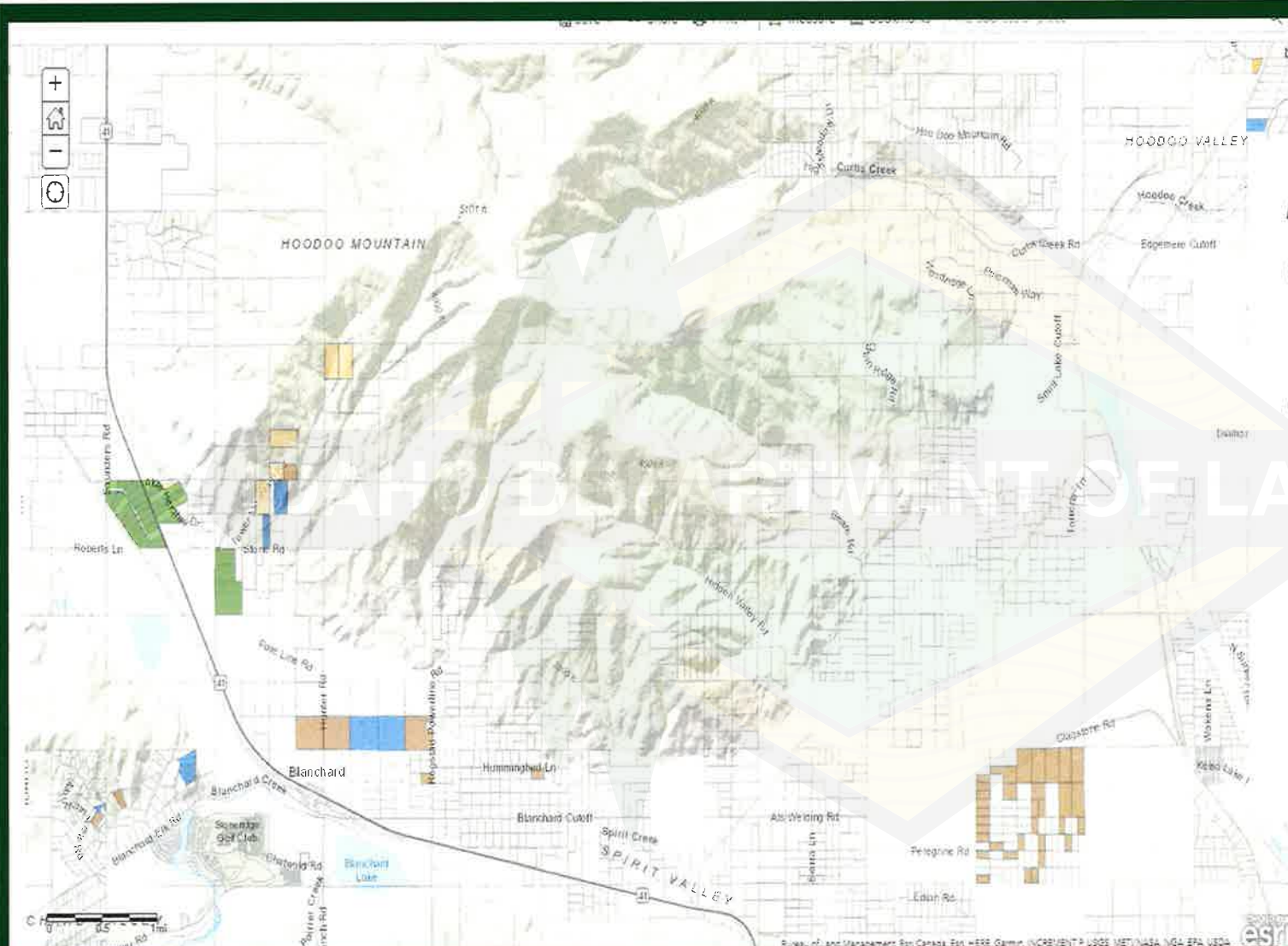
Forest have risks - We have solutions



Yes! Sign me up to
learn more about
what we can do
together!



(GHOST PARCEL ID PLACEHOLDER)



Interagency Geodatabase

- **Landowner Tracking and Progress**



Before and
After
Treatment

Bonner County
Private
Forestlands

RTMEN

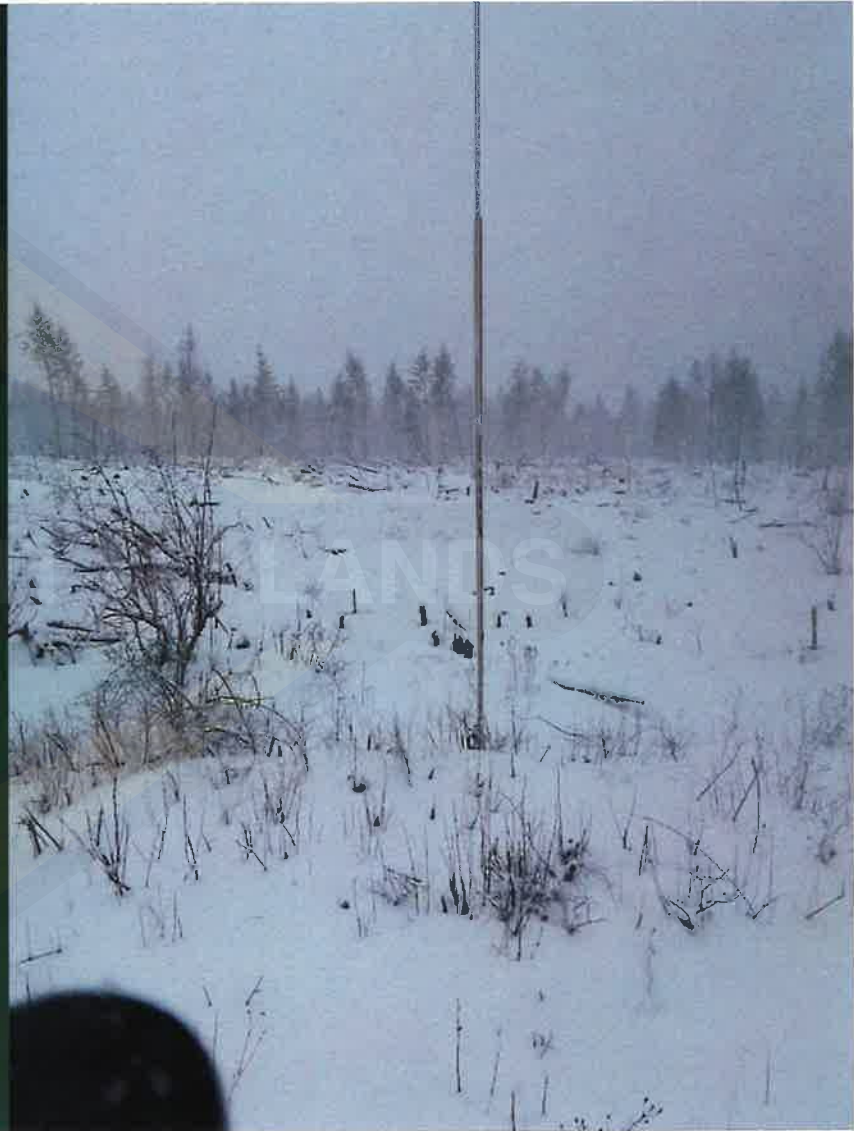




**Before and
After
Treatment**

**Bonner
County State
Endowment
Forest**

RTMEN LANDS





Careywood
GNA Sale,
Before and
After
Treatment

Idaho
Panhandle
National
Forest,
Bonner
County



Leland Complex Fireline

Nez Perce – Clearwater
NF, Clearwater County

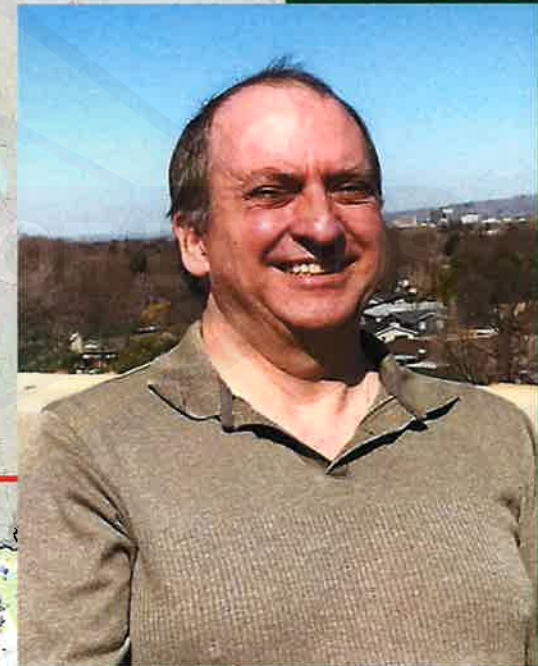
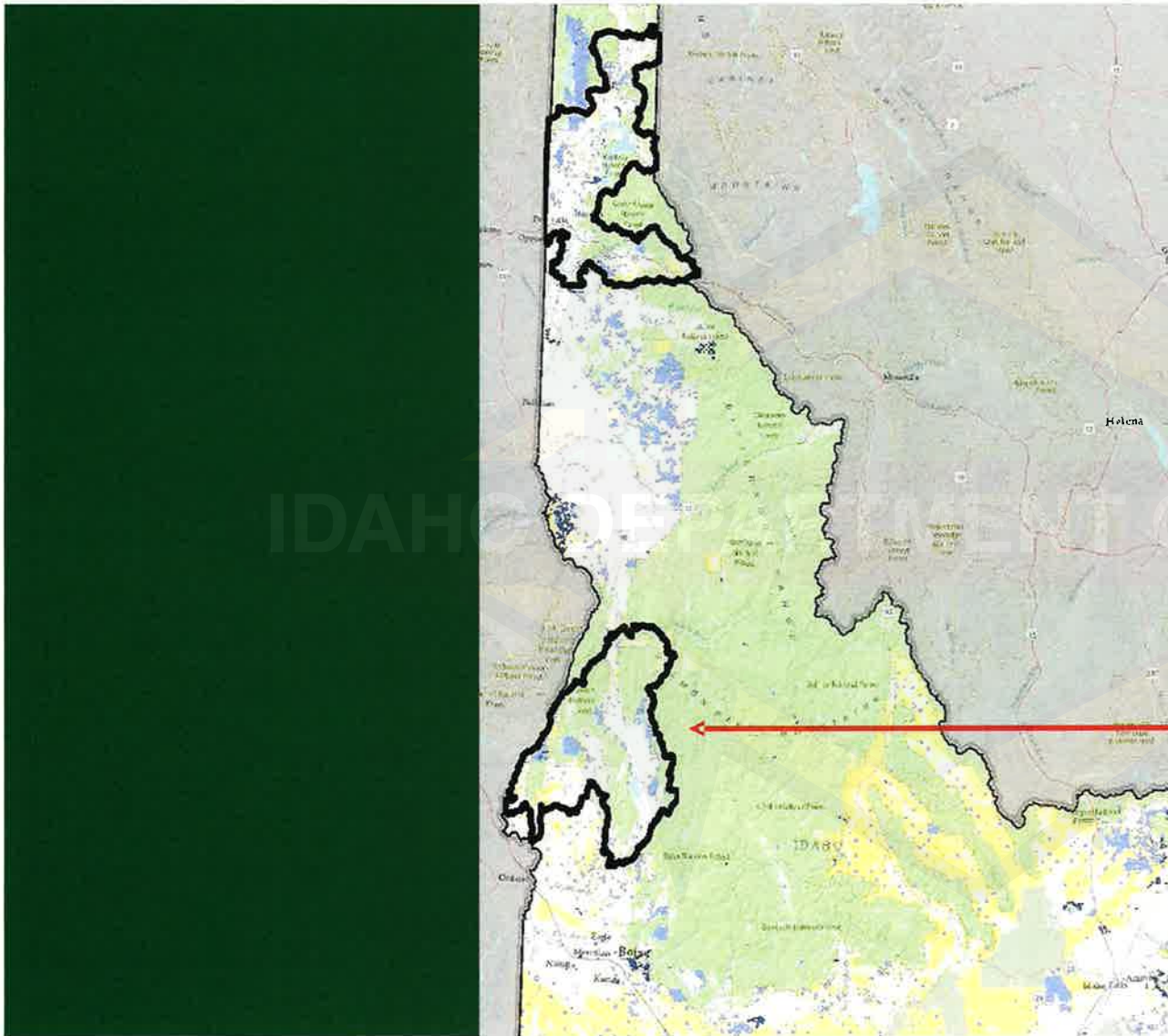


Leland Complex Fireline

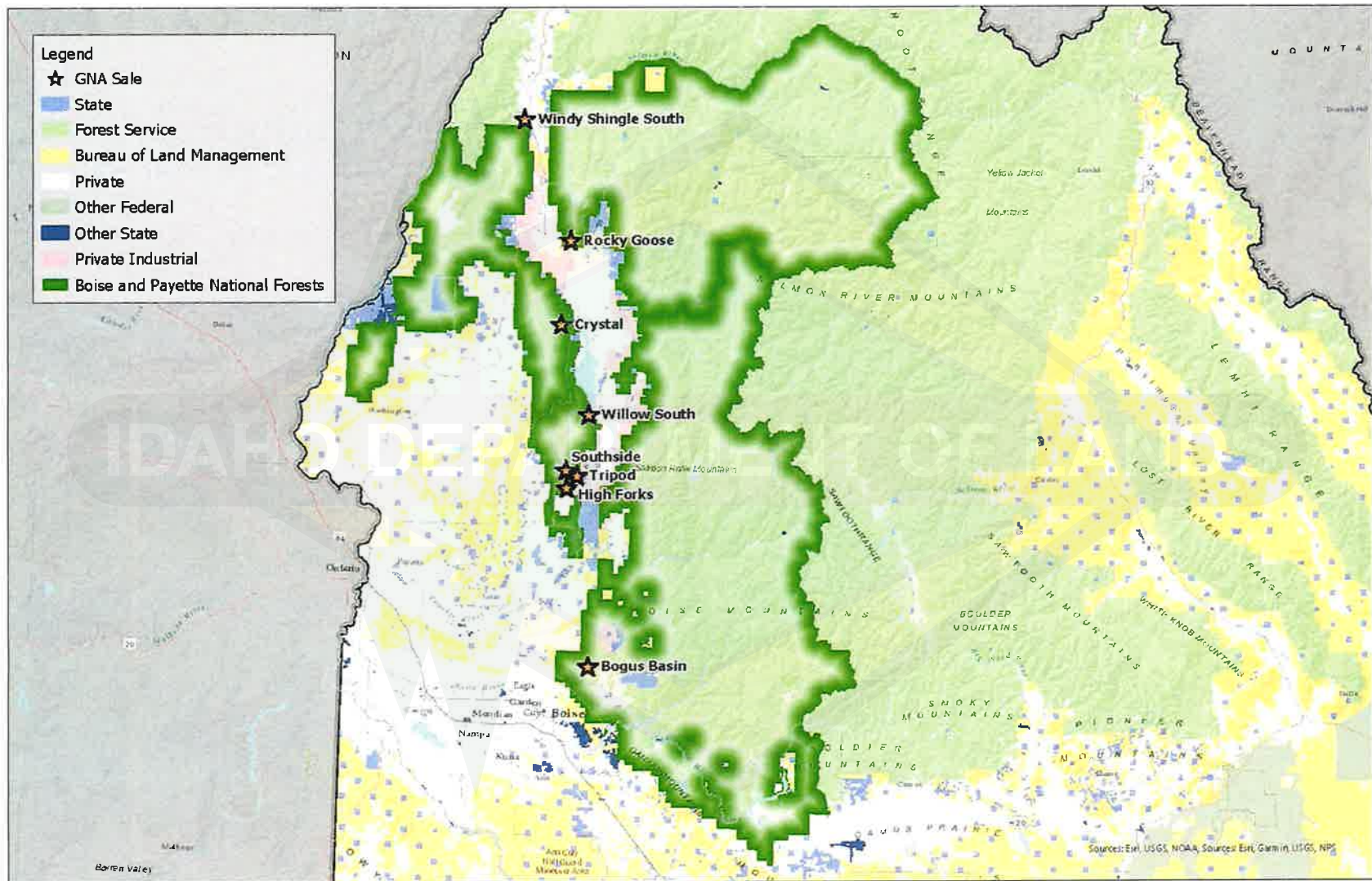
Nez Perce – Clearwater
NF, Clearwater County

IDAHO



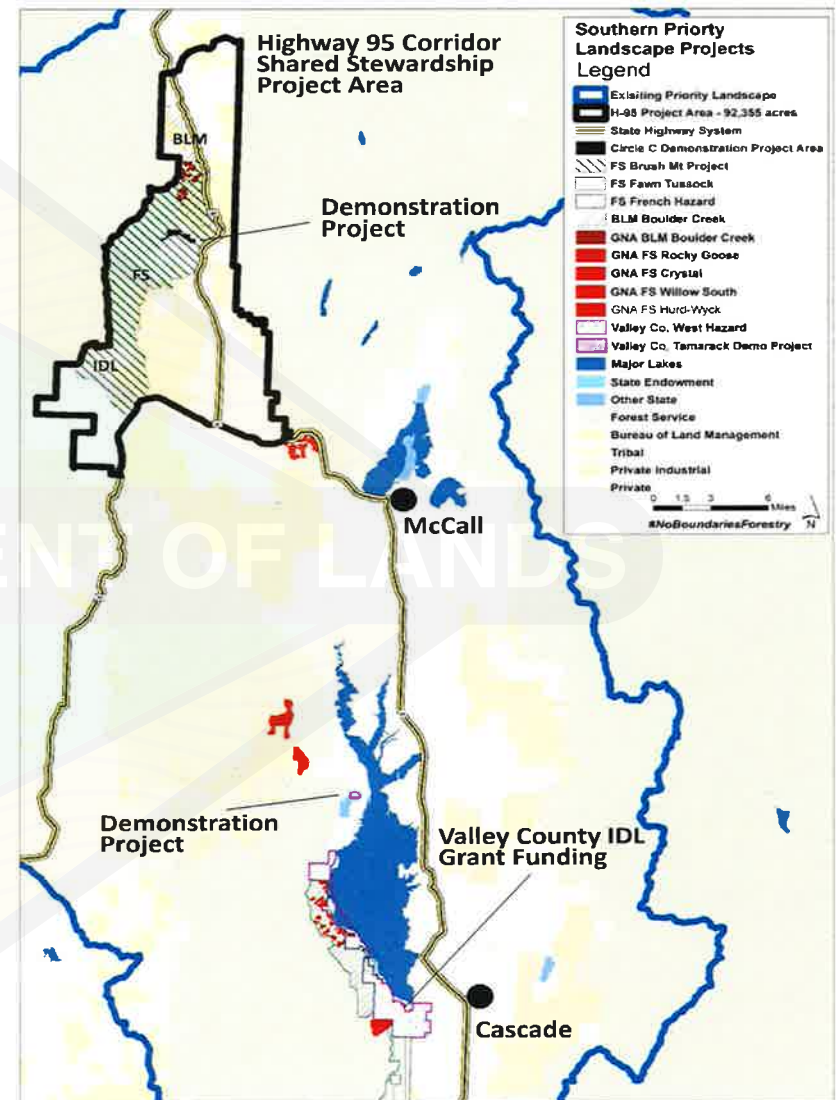


Lynn Oliver
*S-Idaho Shared Stewardship
Coordinator*



Southern Shared Stewardship Priority Landscape

Highway 95 Corridor Cross-Boundary Focal Area



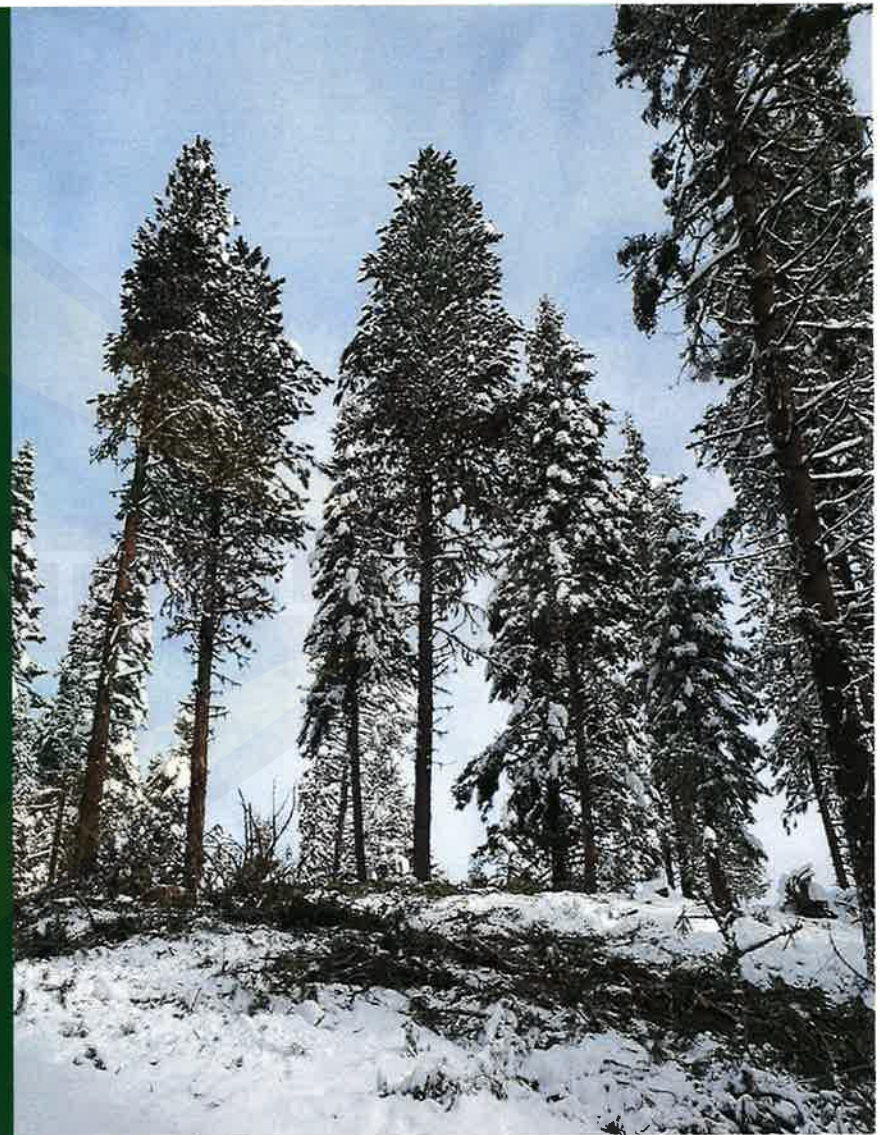


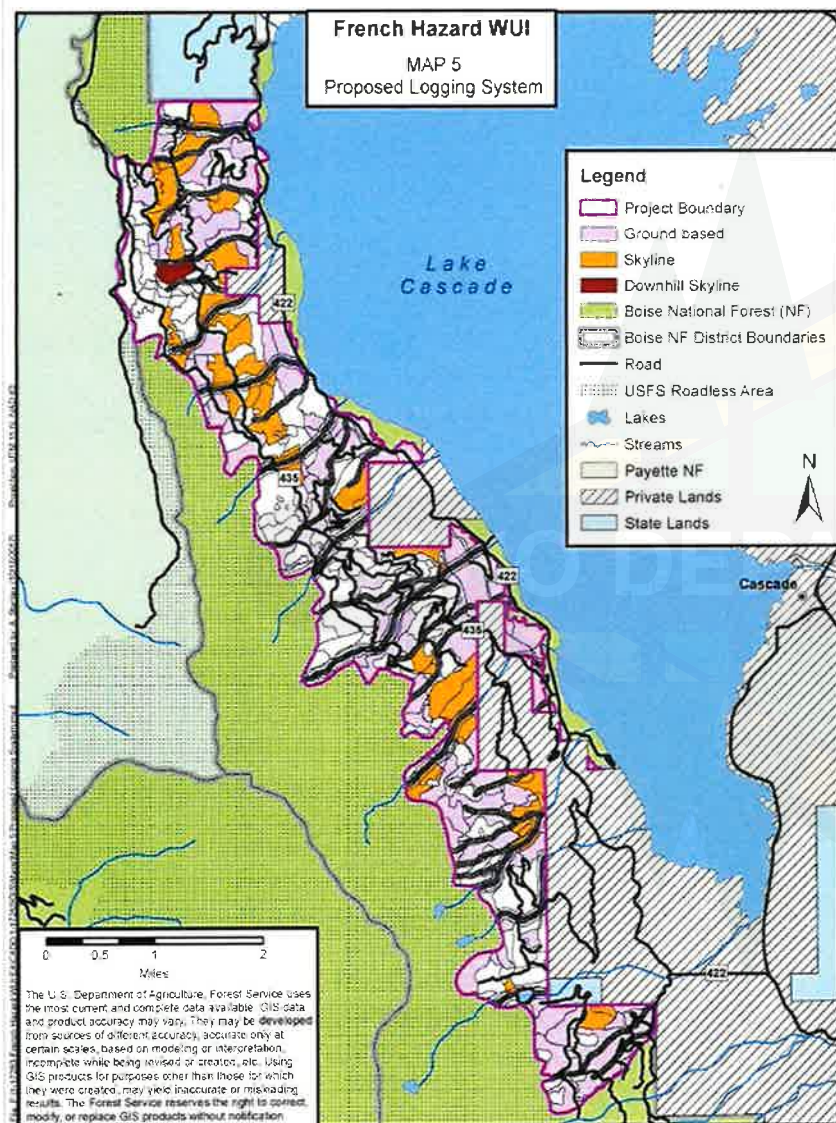




**Before and
After
Treatment**

**Adams
County GNA
Sale on
Payette
National
Forest**





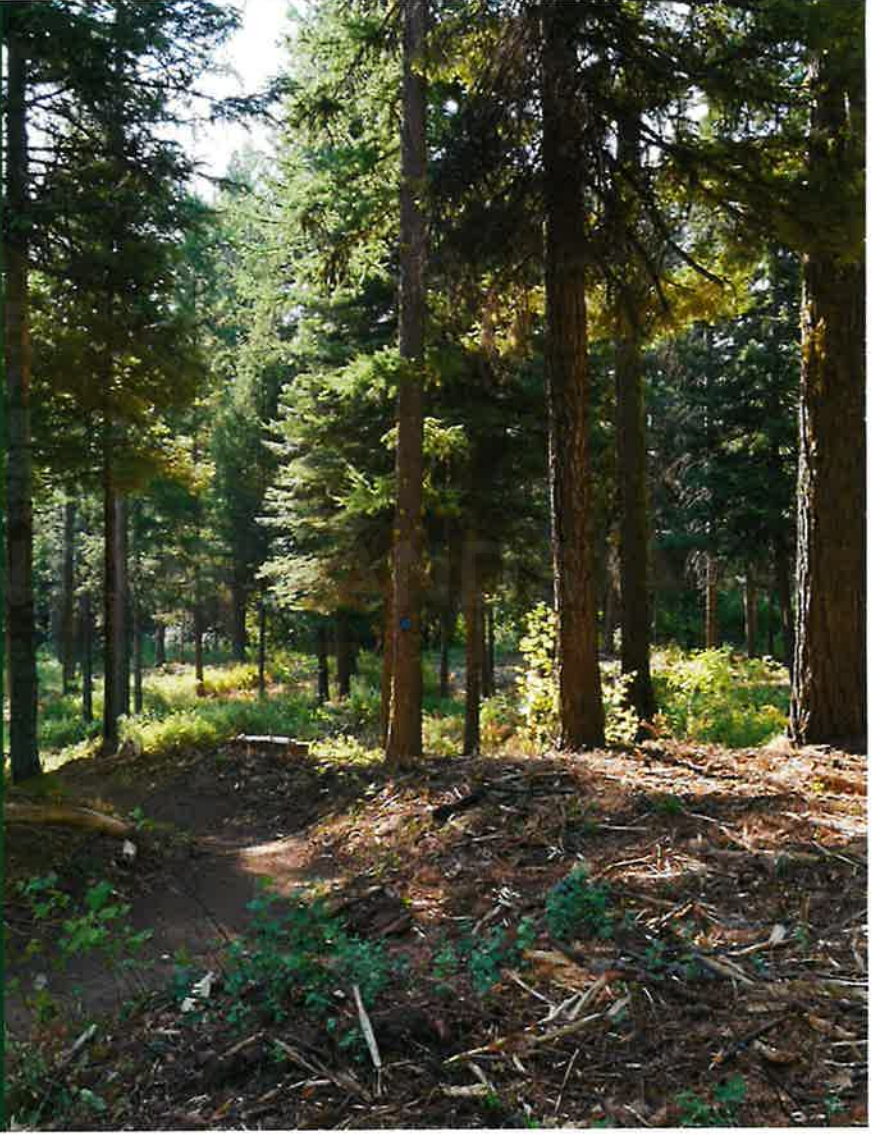
Willow South GNA Sale- After Treatment, Boise NF

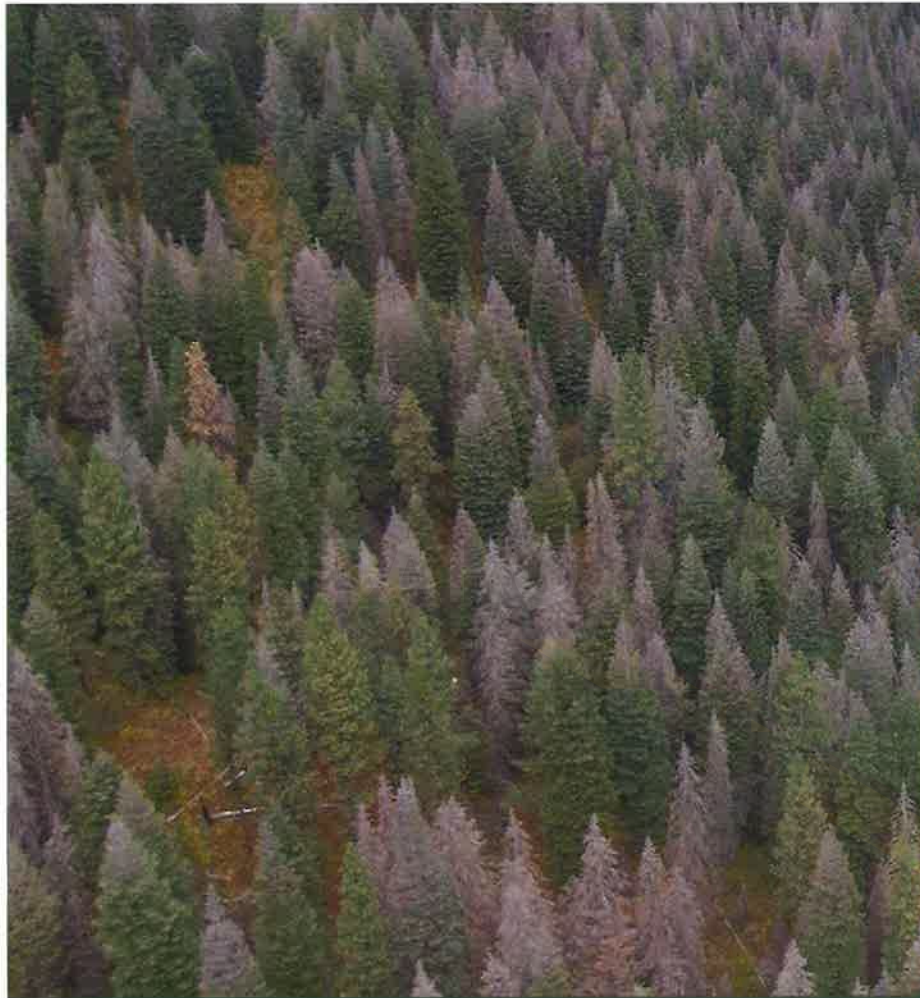




Before and
After
Treatment

DEQ
Forestland
at
Tamarack
Resort





Boise NF, Sage Hen Integrated Restoration Project, South Side GNA Sale







University of Idaho

College of Agricultural
and Life Sciences

CALDWELL PROCEEDS AND CAFE EXPERIMENTAL FARM

Presentation to Idaho State Board of
Land Commissioners
February 15, 2022



VALUE OF AGRICULTURE TO IDAHO

I 17% of Idaho's total economic output

I 12%, or 1 in every 8 jobs in the state

I 12.5% of Idaho GDP

IDAHO DEPARTMENT OF LANDS

The College of Agricultural and Life Sciences is the major research & development driver and work force developer for the industry.

Partnership on an experimental farm is the best maximum long-term return for the College of Agriculture.



University of Idaho

College of Agricultural
and Life Sciences

Idaho Agricultural Experiment Station

Research meeting the needs of Idaho agriculture

*CALS has a need for an experimental farm
reflective of Idaho agriculture.*

- Idaho dairy industry is #3 in nation
- #1 agricultural commodity in Idaho



Palouse Research, Extension
& Education Center



Parma Research &
Extension Center

Caldwell Research &
Extension Center



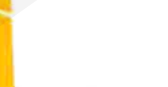
Kimberly & Twin Falls
Research & Extension Centers



Nancy M. Cummings Research,
Extension & Education Center



Tetonia Research
& Extension Center



Aberdeen & Idaho Falls
Research & Extension Centers



CAFE

IdahoCAFE

Center for Agriculture, Food and the Environment

A REGIONAL MODEL

Research dairy/experimental farm

Rupert (*Minidoka County*)

Discovery center, classrooms, labs, faculty offices

Crossroads I-84/Hwy93 (*Jerome County*)

Food processing pilot plant, workforce training/edu facility

CSI Campus (*Twin Falls County*)



Idaho Center for Agriculture, Food, and the Environment (CAFE)

Research Dairy

DPW Project #18-257

Rupert, Idaho



University of Idaho
College of Agricultural
and Life Sciences

KELLER
ASSOCIATES

5



McALVAIN
COMPANIES INC.

A BIG-D COMPANY

EXPERIMENTAL FARM IN RUPERT



University of
Idaho

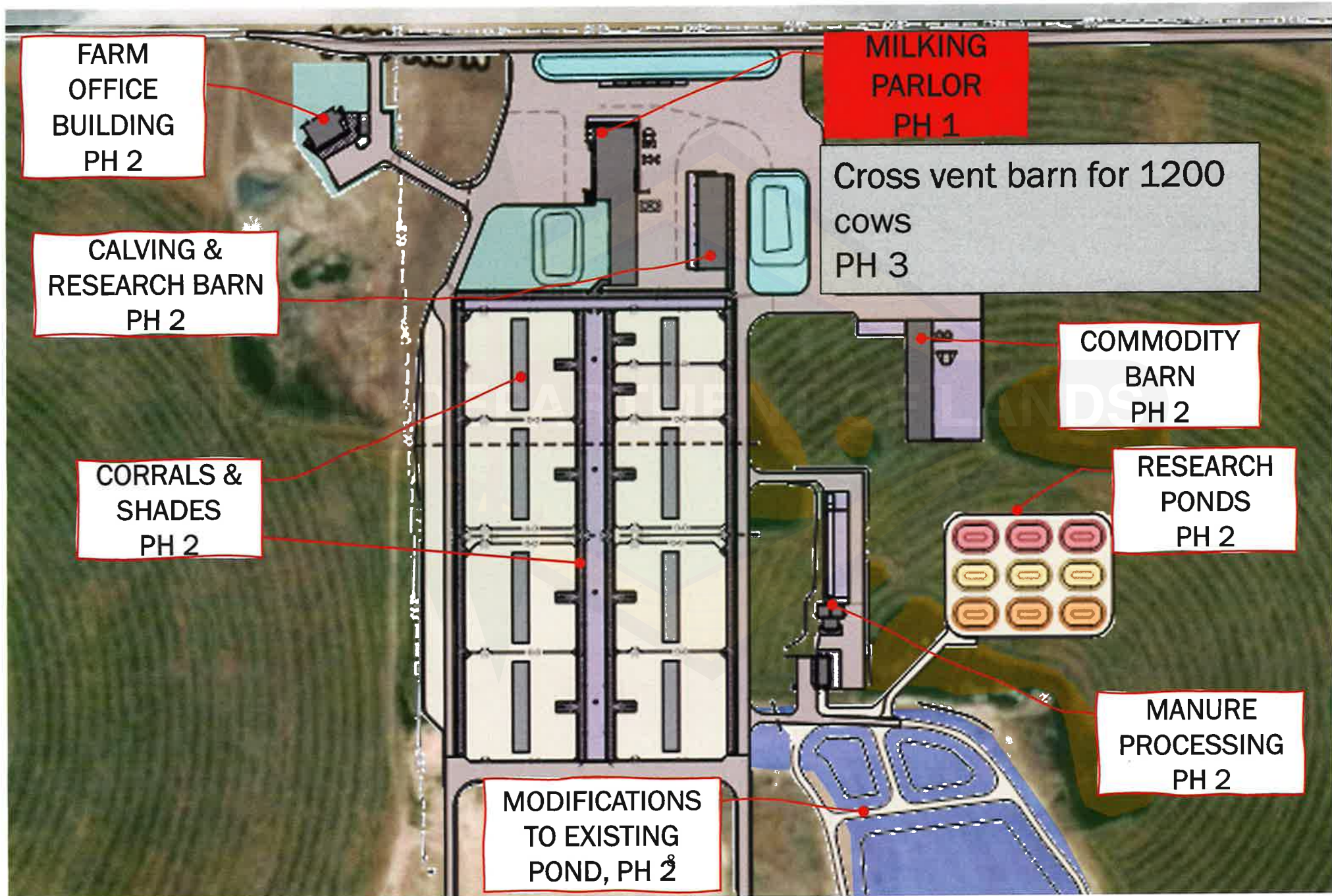
Idaho
Dairymen's
Association

640 acres purchased in March 2019

PROPOSED EXPERIMENTAL FACILITIES



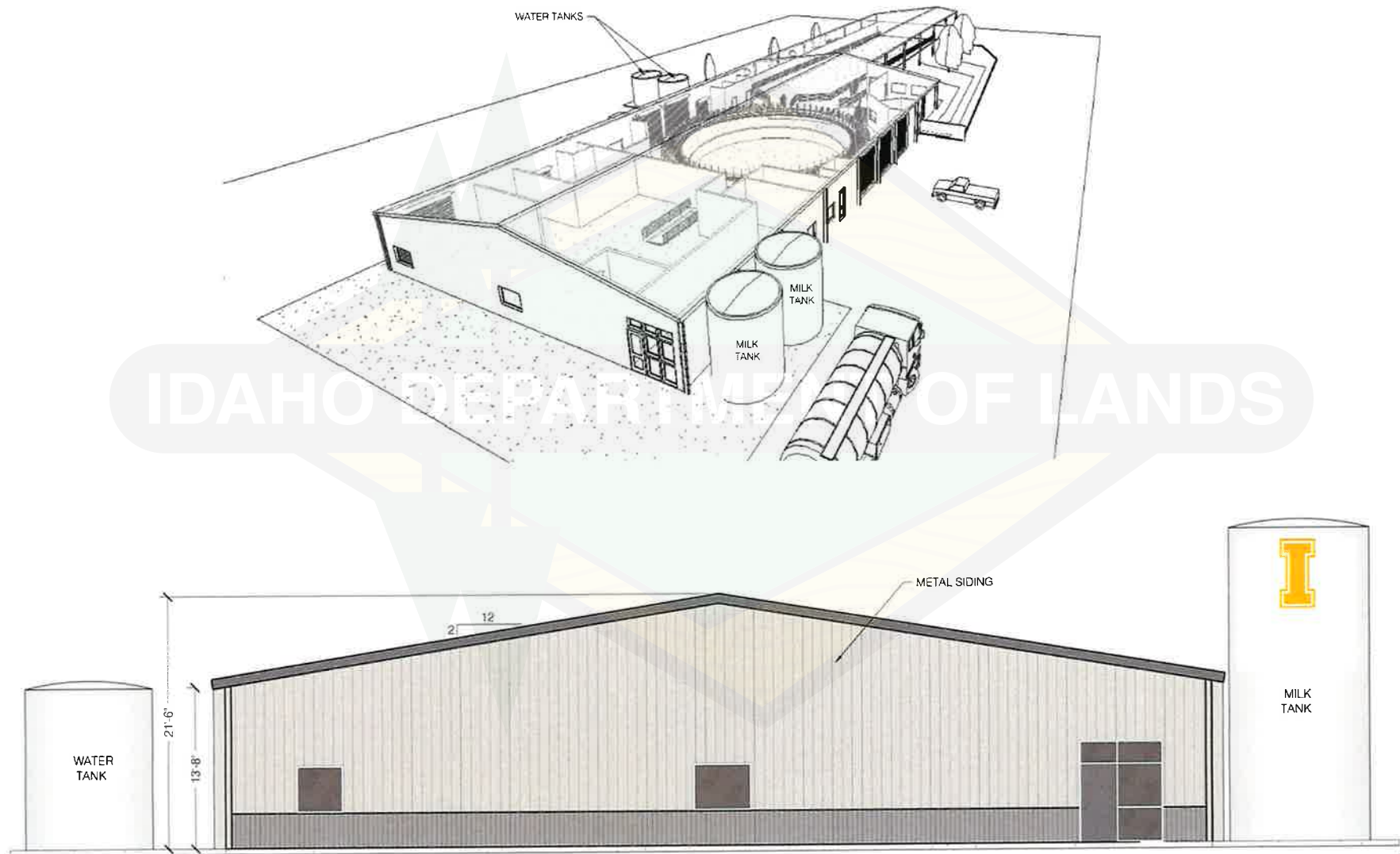
PROPOSED EXPERIMENTAL FACILITIES



STATE OF THE ART MILKING SYSTEM (PH 1) - \$2 MILLION



STATE OF THE ART MILK BARN (PH 1) - \$6 MILLION



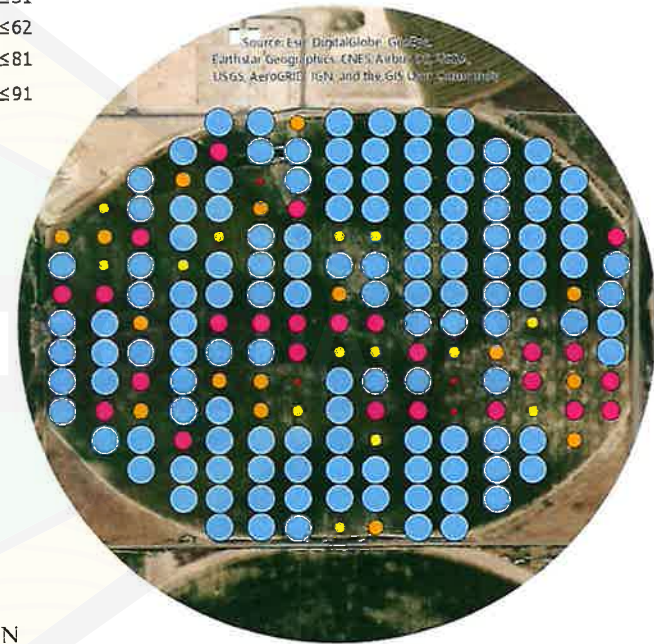
RESEARCH FRAMEWORK EXPERIMENTAL FARM

BASELINE DATA COLLECTION

- Soil from pivots extensively sampled
- Chemical, physical, and biological properties
- 0.6 acre grid
- Snapshot of 'before' manure application or any other practices

D2_bedrock_cm

- ≤41
- ≤51
- ≤62
- ≤81
- ≤91



RESEARCH INFRASTRUCTURE

- Sensor-centric facility for precision agriculture

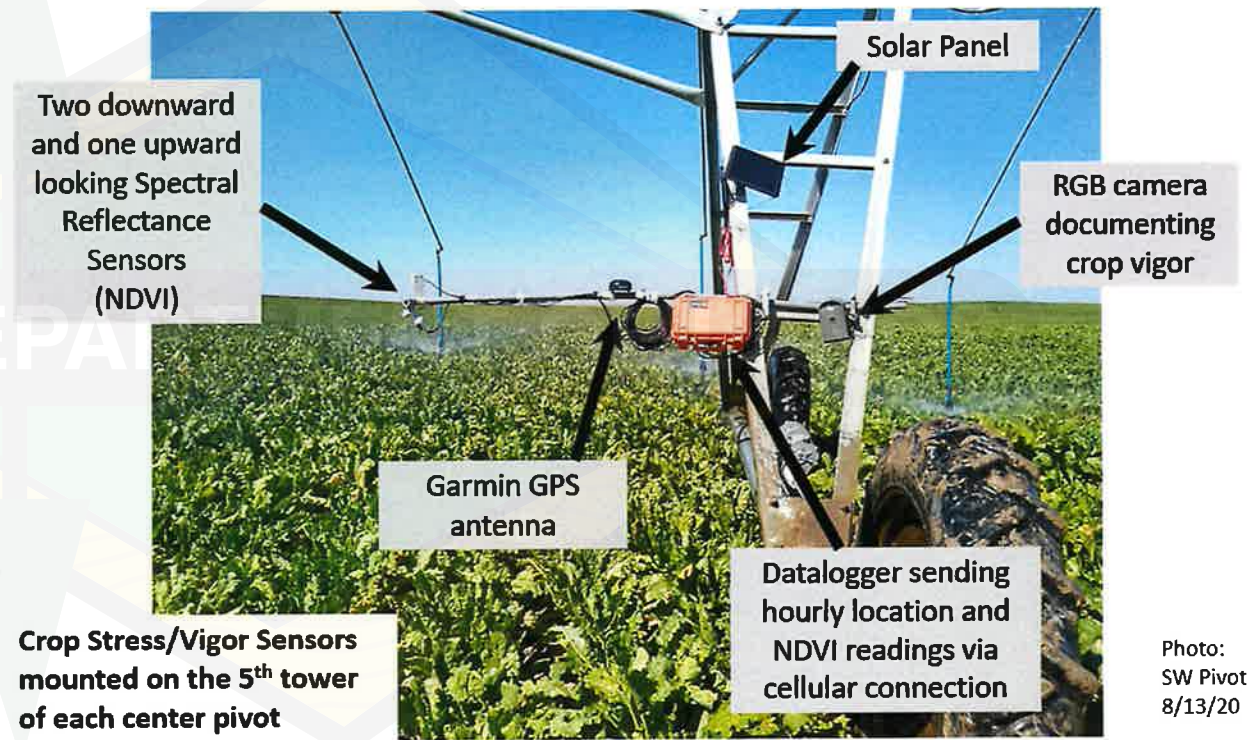


Photo:
SW Pivot
8/13/20

CAFE DEVELOPMENT

Property

University owns 320 acres

Idaho Dairymen's Association owns 320 acres

- Will be donated to University when CAFE is operational

Construction Improvements

Fully operational experimental dairy

- Largest research dairy (number of cows) in US
- Experimental dairy waste system with lagoons

Precision agriculture on experimental farm

CAFE RETURNS TO DATE

Gifts

- \$7.6 million from industry for continued sustainable growth of agriculture, dairy and food processing sectors
- Anheuser-Busch is a donor; Idaho is #1 in malt barley production

Grants (restricted funds)

- Awarded nearly \$13 million in past 3 years toward activities at CAFE

Students

- Grants support a greater number (over 30) of graduate students at the University of Idaho
- Also employ undergraduates as research assistants

Field day

- Demonstration to growers and producers about precision agriculture

CAFE FUNDING (Millions)



		Funding Source			
Item	Cost	State of Idaho	University	Donations	Balance
Land	\$5.25		\$2.5	\$2.75	\$0
Phase 1 Milking System and Barn, Excavation	\$12	\$10	\$2		\$0
Phase 2 Dry Lots, Manure System, Feed Prep, Calving Barn, Farm Office	\$13			\$4.85	\$8.15
Phase 3 Cross-Ventilated Barn, Equipment Storage	\$10				\$10
Phase 4 Additional land for nutrient management	\$6				\$6
		Total Current Need: \$24.15 million			

IMPACT OF CALDWELL R&E CENTER SALE ON COLLEGE OF AGRICULTURE ENDOWMENT DISTRIBUTIONS

- Caldwell R&E Sale Price: \$23,250,000
- Estimated Average Annual CALS Distribution: 5.0%
- Estimated Average Additional Annual Distribution from Caldwell R&E Sale: \$1,162,500

MAXIMUM LONG-TERM FINANCIAL RETURN TO THE COLLEGE OF AGRICULTURE

Alternatively, the Land Board partnering in CAFE would result in more than \$1,162,500 in additional income per year for the College of Agriculture.

- Completion of the full CAFE experimental farm will be delayed without Land Board partnership.
- Once fully operational, we estimate that CAFE will return \$3.5 million annually from grants, gifts, and student enrollment to the College of Agriculture.

NEXT STEPS

We will develop a proposal for the Land Board's participation in CAFE that will provide the best long term financial return to the College of Agriculture (CALS).



University of Idaho

College of Agricultural
and Life Sciences

IDAHO DEPARTMENT OF LANDS

THANK YOU