State Board of Land Commissioners Open Meeting Checklist

Meeting Date: February 15, 2022

Regular Meetings

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

Special Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/10/2022</td>
<td>Meeting Notice and Agenda posted in a prominent place in IDL’s Boise Director’s office twenty-four (24) hours before meeting.</td>
</tr>
<tr>
<td>2/11/2022</td>
<td>Meeting Notice and Agenda posted in a prominent place in IDL’s Coeur d’Alene staff office twenty-four (24) hours before meeting.</td>
</tr>
<tr>
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</tbody>
</table>

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

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

Recording Secretary: Renee Jacobsen
Date: February 11, 2022

rev. 1/8/2021
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

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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

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This agenda is published pursuant to Idaho Code § 74-204. The agenda is subject to change by the Board. To arrange auxiliary aides or services for persons with disabilities, please contact Dept. of Lands at (208) 334-0242. Accommodation requests for auxiliary aides or services must be made no less than five (5) working days in advance of the meeting. Agenda materials are available online at [www.idl.idaho.gov](http://www.idl.idaho.gov).
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
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:
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

<table>
<thead>
<tr>
<th>Sale Name</th>
<th>Area</th>
<th>Sawlogs MBF</th>
<th>Cedar Prod MBF</th>
<th>Pulp MBF</th>
<th>Appraised Net Value</th>
<th>Sale Net Value</th>
<th>Net $/MBF</th>
<th>Purchaser</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Slope Pine</td>
<td>POL</td>
<td>5,345</td>
<td>0</td>
<td>0</td>
<td>$1,182,922.00</td>
<td>$1,448,591.40</td>
<td>$271.02</td>
<td>IFG Timber LLC</td>
</tr>
<tr>
<td>Endowment</td>
<td>5,345</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$1,182,922.00</td>
<td>$1,448,591.40</td>
<td>$271.02</td>
<td>IFG Timber LLC</td>
</tr>
<tr>
<td>Sand Mountain GNA Decks</td>
<td>520</td>
<td>$231,369.00</td>
<td>$231,369.00</td>
<td>$245,440.00</td>
<td>$472.00</td>
<td>IFG Timber LLC</td>
<td></td>
<td></td>
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<tr>
<td>Non-Endowment</td>
<td>520</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$231,369.00</td>
<td>$245,440.00</td>
<td>$472.00</td>
<td>IFG Timber LLC</td>
</tr>
</tbody>
</table>

### PROPOSED TIMBER SALES FOR AUCTION

<table>
<thead>
<tr>
<th>Sale Name</th>
<th>Volume MBF</th>
<th>Advertised Net Value</th>
<th>Area</th>
<th>Estimated Auction Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park Beetle Salvage (IDPR)</td>
<td>2,745</td>
<td>$173,271</td>
<td>St. Joe</td>
<td>2/1/2022</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>2,745</strong></td>
<td><strong>$173,271</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### VOLUME UNDER CONTRACT as of January 31, 2022

<table>
<thead>
<tr>
<th></th>
<th>Public School</th>
<th>Pooled</th>
<th>Total</th>
<th>3 Year Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Contracts</td>
<td></td>
<td></td>
<td>174</td>
<td>167</td>
</tr>
<tr>
<td>Total Residual MBF Equivalent</td>
<td>327,255</td>
<td>208,792</td>
<td>536,047</td>
<td>496,110</td>
</tr>
<tr>
<td>Estimated residual value</td>
<td>$83,893,558</td>
<td>$55,370,923</td>
<td>$139,264,481</td>
<td>$143,275,199</td>
</tr>
<tr>
<td>Residual Value ($/MBF)</td>
<td>$256.36</td>
<td>$265.20</td>
<td>$259.80</td>
<td>$274.89</td>
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</tbody>
</table>
### TIMBER HARVEST RECEIPTS

<table>
<thead>
<tr>
<th></th>
<th>January FY to date</th>
<th>February Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stumpage</strong></td>
<td><strong>Interest</strong></td>
<td><strong>Harvest Receipts</strong></td>
</tr>
<tr>
<td>Public School</td>
<td>$5,586,909.75</td>
<td>$458,533.64</td>
</tr>
<tr>
<td>Pooled</td>
<td>$2,528,224.22</td>
<td>$183,123.60</td>
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<tr>
<td>General Fund</td>
<td>$0.00</td>
<td>$0.00</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>$8,115,133.97</td>
<td>$641,657.24</td>
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</tbody>
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### Status of FY2022 Timber Sale Program

<table>
<thead>
<tr>
<th>MBF Sawlog</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold as of January 31, 2022</td>
<td>89,744</td>
<td>59,848</td>
<td>149,593</td>
</tr>
<tr>
<td>Currently Advertised</td>
<td>4,705</td>
<td>0</td>
<td>4,705</td>
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<tr>
<td>In Review</td>
<td>26,246</td>
<td>9,754</td>
<td>36,000</td>
</tr>
<tr>
<td>Did Not Sell(^1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>120,696</td>
<td>69,602</td>
<td>190,298</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number Poles</th>
<th>Public School</th>
<th>Pooled</th>
<th>All Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2022 Sales Plan</td>
<td>311,195</td>
<td></td>
<td>20,600</td>
</tr>
<tr>
<td>Percent to Date</td>
<td>61%</td>
<td></td>
<td>172%</td>
</tr>
</tbody>
</table>

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

### Cumulative Harvest Receipts

**Current FYTD is 108% of 3 Year Average**

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Timber Sales
Page 2 of 4
January 2022 6-month average price is $289.43.
January 2021 6-month average price was $262.53.
Leases and Permits

FISCAL YEAR 2022 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through January 31,

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>FYTD</th>
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<tbody>
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<td>Communication Sites</td>
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<tr>
<td>Minerals</td>
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<tr>
<td>Non-Comm Recreation</td>
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<tr>
<td>Oil &amp; Gas</td>
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<td>Land Use Permits</td>
<td>9</td>
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<td>TOTAL INSTRUMENTS</td>
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<td>16</td>
<td>8</td>
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Real Estate

FISCAL YEAR 2022 – REAL ESTATE TRANSACTIONS BY MONTH – through January 31, 2022

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
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<tbody>
<tr>
<td>Deeds Acquired</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Deeds Granted</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Deeds Granted - Surplus</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td>9</td>
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</tbody>
</table>

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.
## FY2022 Gross Revenue (non-timber) - Actual and Forecasted through January 31, 2022

<table>
<thead>
<tr>
<th>SURFACE</th>
<th>Actual Receipts As of 1.31.2022</th>
<th>Revenue Expected by 1.31.2022**</th>
<th>Revenue Expected by 06.30.2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$462,720</td>
<td>$443,700</td>
<td>$491,700</td>
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<tr>
<td>Communication Sites</td>
<td>$823,781</td>
<td>$909,900</td>
<td>$1,011,000</td>
</tr>
<tr>
<td>Grazing</td>
<td>$65,552</td>
<td>$93,000</td>
<td>$1,817,000</td>
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<tr>
<td>Residential</td>
<td>$891,039</td>
<td>$915,700</td>
<td>$1,303,345</td>
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<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Energy Resources</td>
<td>$20,159</td>
<td>$-</td>
<td>$21,859</td>
</tr>
<tr>
<td>Commercial Industrial</td>
<td>$130,809</td>
<td>$67,717</td>
<td>$84,967</td>
</tr>
<tr>
<td>Commercial Military</td>
<td>$42,907</td>
<td>$-</td>
<td>$91,463</td>
</tr>
<tr>
<td>Commercial Office/Retail</td>
<td>$741,448</td>
<td>$666,192</td>
<td>$923,859</td>
</tr>
<tr>
<td>Commercial Recreation</td>
<td>$513,873</td>
<td>$486,300</td>
<td>$531,800</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation Leases</td>
<td>$72,894</td>
<td>$65,000</td>
<td>$65,000</td>
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<tr>
<td>Geothermal</td>
<td>$750</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Mineral</td>
<td>$848,855</td>
<td>$13,459</td>
<td>$105,403</td>
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<tr>
<td>Non-Commercial Recreation</td>
<td>$106,042</td>
<td>$89,992</td>
<td>$98,452</td>
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<tr>
<td>Oil and Gas Leases</td>
<td>$1,585</td>
<td>$2,440</td>
<td>$6,473</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>$5,722,414</td>
<td>$3,753,399</td>
<td>$6,552,321</td>
</tr>
</tbody>
</table>

*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

NOTE: The forecast does not include Real Estate Services revenue.

FYTD Total is 125% of 3 Year Average
Cumulative Trust Land Permanent Fund Revenue/Royalties
(Does NOT include Land Bank Revenue)
FY2021 - FYTD 2022

FYTD 2022 - Permanent Fund Revenue by Type
81.1% Sand and Gravel
8.0% Quartzite
5.0% Cinders
2.5% Decorative Stone
1.4% Road Use Permits
1.4% Oil and Gas
<1% Basalt, Gold, Rhyolite and Capitol Commission Revenue (non-timber)
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.
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>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Encroachment Permits Issued</td>
<td>282</td>
<td>327</td>
<td>289</td>
<td>338</td>
<td>412</td>
<td>383</td>
<td>542</td>
<td>218</td>
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<tr>
<td>Active Submerged Land Leases</td>
<td>179</td>
<td>185</td>
<td>192</td>
<td>180</td>
<td>172</td>
<td>179</td>
<td>176</td>
<td>148</td>
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<tr>
<td>New Submerged Land Leases</td>
<td>26</td>
<td>11</td>
<td>8</td>
<td>36</td>
<td>48</td>
<td>24</td>
<td>17</td>
<td>3</td>
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<tr>
<td>Active Riverbed Mineral Leases</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
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<td>1</td>
<td>1</td>
<td></td>
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<tr>
<td>New Riverbed Mineral Leases</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Active Exploration Locations</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>5</td>
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<td>New Exploration Locations</td>
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<td>2</td>
<td>4</td>
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<td>New Submerged Land Easements</td>
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<td>27</td>
<td>6</td>
<td>2</td>
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<td>3</td>
</tr>
<tr>
<td>New Disclaimers of Interest</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

- **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 begins 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

<table>
<thead>
<tr>
<th>IDL Area</th>
<th>Sand and Gravel Mines</th>
<th>Hardrock, Phosphate &amp; Complex Industrial</th>
<th>Cyanidation Mines</th>
<th>Dredge and Placer Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(IDAPA 20.03.02.069)</td>
<td>(IDAPA 20.03.02.070)</td>
<td>(IDAPA 20.03.02.071)</td>
<td>(IDAPA 20.03.01)</td>
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<tr>
<td>Clearwater</td>
<td>33</td>
<td>-</td>
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<tr>
<td>Eastern</td>
<td>703</td>
<td>21</td>
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<tr>
<td>Maggie Creek</td>
<td>62</td>
<td>3</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Mica</td>
<td>32</td>
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<td>7</td>
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<td>Payette Lakes</td>
<td>109</td>
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<td>Pend Oreille Lake</td>
<td>130</td>
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<tr>
<td>Ponderosa</td>
<td>56</td>
<td>1</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Priest Lake</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Southwest</td>
<td>301</td>
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<td>-</td>
<td>1</td>
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<tr>
<td>St. Joe</td>
<td>66</td>
<td>-</td>
<td>-</td>
<td>16</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1507</strong></td>
<td><strong>31</strong></td>
<td>-</td>
<td><strong>31</strong></td>
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</table>

Table 3: Regulatory Minerals Historical Instrument Numbers

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<tbody>
<tr>
<td><strong>Mined Land Reclamation</strong></td>
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<td></td>
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<tr>
<td>New Reclamation Plans</td>
<td>20</td>
<td>20</td>
<td>25</td>
<td>36</td>
<td>24</td>
<td>18</td>
<td>28</td>
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<tr>
<td>Retirements</td>
<td>7</td>
<td>17</td>
<td>14</td>
<td>36</td>
<td>15</td>
<td>22</td>
<td>9</td>
<td>13</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Total Reclamation Plans</td>
<td>1,536</td>
<td>1,537</td>
<td>1,528</td>
<td>1,530</td>
<td>1,542</td>
<td>1,540</td>
<td>1,561</td>
<td>1,580</td>
<td>1,574</td>
<td>1,538</td>
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<tr>
<td><strong>Dredge and Placer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>New/Amended Permits</td>
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<td>0</td>
<td>1</td>
<td>3</td>
<td>3</td>
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<tr>
<td>Retirements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Permits</td>
<td>25</td>
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<td>25</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>28</td>
<td>29</td>
<td>31</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Plans</th>
<th>Permitted Acres</th>
<th>Total Bond</th>
<th>Bond/Acre</th>
<th>Dredge and Placer Permits (IDAPA 20.03.01)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Bond¹</td>
<td>279</td>
<td>$12.9 Million</td>
<td>$803</td>
<td>23</td>
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<tr>
<td>Bond Assurance Fund</td>
<td>614</td>
<td>n/a</td>
<td>n/a</td>
<td>8</td>
</tr>
</tbody>
</table>

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

### Table 5: Bonding for Hardrock, Phosphate & Complex Industrial

<table>
<thead>
<tr>
<th>Permits</th>
<th>Permitted Acres</th>
<th>Total Bond</th>
<th>Bond/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Bond¹</td>
<td>31</td>
<td>21,920</td>
<td>$157 Million</td>
</tr>
</tbody>
</table>

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

### Table 6: Bond Assurance Fund Billing (For FY2022)

<table>
<thead>
<tr>
<th>Disturbance (ACRES)</th>
<th>Annual Fee Schedule ($)</th>
<th>Total Permits Distribution</th>
<th>Total Annual Fees Due ($)</th>
<th>Annual Fees Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 acres or less</td>
<td>$100</td>
<td>162</td>
<td>$16,200</td>
<td>$13,300</td>
</tr>
<tr>
<td>&gt; 2 acres ≤ 5 acres</td>
<td>$200</td>
<td>150</td>
<td>$30,000</td>
<td>$26,400</td>
</tr>
<tr>
<td>&gt; 5 acres ≤ 10 acres</td>
<td>$250</td>
<td>137</td>
<td>$34,250</td>
<td>$30,250</td>
</tr>
<tr>
<td>&gt; 10 acres ≤ 15 acres</td>
<td>$300</td>
<td>54</td>
<td>$16,200</td>
<td>$14,100</td>
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<tr>
<td>&gt; 15 acres ≤ 20 acres</td>
<td>$350</td>
<td>43</td>
<td>$15,050</td>
<td>$13,300</td>
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<tr>
<td>&gt; 20 acres ≤ 25 acres</td>
<td>$400</td>
<td>26</td>
<td>$10,400</td>
<td>$9,200</td>
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<tr>
<td>&gt; 25 acres ≤ 30 acres</td>
<td>$450</td>
<td>20</td>
<td>$9,000</td>
<td>$8,550</td>
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<tr>
<td>&gt; 30 acres ≤ 35 acres</td>
<td>$500</td>
<td>9</td>
<td>$4,500</td>
<td>$4,000</td>
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<tr>
<td>&gt; 35 acres ≤ 40 acres</td>
<td>$550</td>
<td>13</td>
<td>$7,150</td>
<td>$6,050</td>
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<tr>
<td>TOTAL</td>
<td>614</td>
<td>$142,750</td>
<td>$125,150</td>
<td></td>
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</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Table 7: Abandoned Mine Lands Projects July through December, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
</tr>
<tr>
<td>Triumph Mine</td>
</tr>
<tr>
<td>Idaho Geological Survey</td>
</tr>
<tr>
<td>Jackson Claim, War Eagle Mountain</td>
</tr>
</tbody>
</table>
Figure 3: AML Fund - Revenue, Expenditures, and Fund Balance

![AML Fund Revenue, Expenditures, and Fund Balance Diagram](image-url)
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
<table>
<thead>
<tr>
<th>Supervisory Area</th>
<th>Lease Number</th>
<th>Endowment</th>
<th>Lease Term (Years)</th>
<th>Acres</th>
<th>Commodity</th>
<th># of Participants</th>
<th># of Bids</th>
<th>High Bid Amount</th>
<th>High Bidder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest</td>
<td>E600102</td>
<td>PS</td>
<td>10</td>
<td>78.00</td>
<td>Sand and Gravel</td>
<td>5</td>
<td>161</td>
<td>$500,000.00</td>
<td>ASG Resources, LLC</td>
</tr>
<tr>
<td>Southwest</td>
<td>E600103</td>
<td>PS</td>
<td>10</td>
<td>62.60</td>
<td>Sand and Gravel</td>
<td>4</td>
<td>49</td>
<td>$335,000.00</td>
<td>Central Paving Co., Inc.</td>
</tr>
</tbody>
</table>

Total: $835,000.00
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
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.
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 Lawerence Denney
Honorable Attorney General Lawrence Wasden
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, the Governor’s Stage 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 oversite 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 oversite; 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)**


   **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.
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
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.
INVESTMENT REPORT

January 31, 2022

Manager Relative Returns
Fiscal YTD and 3-Yr Ave

<table>
<thead>
<tr>
<th>Manager Relative Returns</th>
<th>3 Yr. Ann. Return</th>
<th>YTD %</th>
<th>1 Yr. %</th>
<th>3 Yr. %</th>
<th>5 Yr. %</th>
<th>10 Yr. %</th>
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</thead>
<tbody>
<tr>
<td>NT S&amp;P 500 Index - U.S Large Cap. Core Equity</td>
<td>0.1%</td>
<td>0.0%</td>
<td>-18.3%</td>
<td>-21.7%</td>
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<td>Sands Capital - U.S. Large Cap. Growth Equity</td>
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<td>6.0%</td>
<td>6.0%</td>
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<tr>
<td>Boston Partners - U.S. Large Cap. Value Equity</td>
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<td>7.7%</td>
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<td>LSV Asset Mgt. - U.S. Large Cap. Value Equity</td>
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<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
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<tr>
<td>TimesSquare - U.S. Mid. Cap. Growth Equity</td>
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<td>-4.8%</td>
<td>-4.8%</td>
<td>-4.8%</td>
<td>-4.8%</td>
<td>-4.8%</td>
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<tr>
<td>Sycamore Capital - U.S. Mid. Cap. Value Equity*</td>
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<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
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<tr>
<td>Eagle Asset Mgt. - U.S. Small Cap. Growth Equity</td>
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<td>-98.3%</td>
<td>-98.3%</td>
<td>-98.3%</td>
<td>-98.3%</td>
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<tr>
<td>Barrow Hanley - U.S. Small Cap. Value Equity</td>
<td>1.2%</td>
<td>1.2%</td>
<td>1.2%</td>
<td>1.2%</td>
<td>1.2%</td>
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<tr>
<td>Wellington Global Opp. - Global Equity</td>
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<td>-3.9%</td>
<td>-3.9%</td>
<td>-3.9%</td>
<td>-3.9%</td>
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<tr>
<td>Fiera Capital - Global Equity</td>
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<td>WCM Asset Mgt. - International Equity</td>
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<td>Schroders QEP - International Equity</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Vanguard EAFE Index - Int'l Large Cap. Equity*</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>DoubleLine Core Plus*</td>
<td>-1.3%</td>
<td>-1.3%</td>
<td>-1.3%</td>
<td>-1.3%</td>
<td>-1.3%</td>
<td>-1.3%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Western Asset Core Full*</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>State Street Global Advisors - Fixed Income &amp; TIPS</td>
<td>-1.1%</td>
<td>-1.1%</td>
<td>-1.1%</td>
<td>-1.1%</td>
<td>-1.1%</td>
<td>-1.1%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>UBS Realty Investors Real Estate - Income*</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
</tr>
<tr>
<td>DWS Asset Management Real Estate - Core*</td>
<td>19.0%</td>
<td>19.0%</td>
<td>19.0%</td>
<td>19.0%</td>
<td>19.0%</td>
<td>19.0%</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

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

Idaho State Board of Land Commissioners

Callan

Janet Becker-Wold, CFA
James Van Heuit

February 3, 2022
# Table of Contents

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Cost of Proposed Scope of Work and Timeline ....................................................................................................... 3
Proposed Consulting Team ................................................................................................................................... 4
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.
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**

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

*Note: All dates are subject to change.*

Draft rulemaking timeline for IDAPA 20.03.17
updated 1-6-2022
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)
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.
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
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)(c), 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
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**

### Activities
- **65 contracts = $1.9 million in contracts awarded, supporting private sector jobs**
- **Fuel 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**

### Sales
- **38 Sales**
- **15 sold and completed**
- **10 sold and in progress**
- **13 in development**

<table>
<thead>
<tr>
<th>Sales</th>
<th>Acres Planned</th>
<th>Acres Sold and Completed</th>
<th>Acres Sold and in Progress</th>
<th>Acres in Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,374 Treatment Acres</td>
<td>5,445</td>
<td>4,471</td>
<td>3,769</td>
<td>4,709</td>
</tr>
</tbody>
</table>

- **Timber Sales**
- **ACRES SOLD AND COMPLETED 4,471**
- **ACRES IN DEVELOPMENT 4,709**

- **Timber Volume**
- **195 MMBF**

- **MMBF Planned 60.5**
- **MMBF Sold/Complete 47**

- **MMBF in Development 47.7**
- **MMBF Sold/In Progress 59.8**

### Projects
- **21 Projects**
- **39 Contracts**
- **$3 million in awarded contracts**
- **60,297 Acres**

- **Hydrology**
- **Botany**
- **Heritage**
- **Wildlife**
- **Soils**
- **Fisheries**
- **Forest Stand Exams**

### 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**
# No Boundaries Forestry

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.

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.

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?
# Vegetation Treatments - GNA Timber Sales

<table>
<thead>
<tr>
<th></th>
<th>Awarded Timber Sales</th>
<th>Total Treatment Acres</th>
<th>Million Board Feet Sold</th>
<th>Net Timber Sale Value</th>
<th>Timber Sale Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>State FY2021</td>
<td>8</td>
<td>2,230 AC</td>
<td>22.3 MMBF</td>
<td>$3.6 M</td>
<td>$1.4 M</td>
</tr>
<tr>
<td>FY2017 – to date</td>
<td>27</td>
<td>8,286 AC</td>
<td>88 MMBF</td>
<td>$15.3 M</td>
<td>$8.8 M</td>
</tr>
</tbody>
</table>
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*

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

FY21 Personnel Expenses = $1.1 M, FY21 Operating Expenses excluding contracted restoration services = $120k
Restoration Service Contracts

- Fuels Reduction & Slash Disposal: $498,000
- Invasive Weed Treatments: $307,000
- Road Repair and Restoration: $698,000
- Bridges (Fish Passage): $95,000
- Project Planning (NEPA): $148,000
- Reforestation: $113,000
- Timber Sale Preparation: $148,000

Total: $3,042,000
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
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* UI Forestry Extension
* NRCS Dist. Conservationist
* IDL PFS
* USFS District Ranger and team
* Avista Utilities
#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 10 PLACEHOLDER)
Interagency Geodatabase

- Landowner Tracking and Progress
Before and After Treatment

Bonner County State Endowment Forest
Careywood GNA Sale, Before and After Treatment

Idaho Panhandle National Forest, Bonner County
Leland Complex Fireline

Nez Perce – Clearwater NF, Clearwater County
Southern Shared Stewardship Priority Landscape

Highway 95 Corridor Cross-Boundary Focal Area
Before and After Treatment

Adams County GNA Sale on Payette National Forest
Caldwell Proceedings and CAFE Experimental Farm

Presentation to Idaho State Board of Land Commissioners
February 15, 2022
VALUE OF AGRICULTURE TO IDAHO

17% of Idaho’s total economic output
12%, or 1 in every 8 jobs in the state
12.5% of Idaho GDP

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

- Idaho dairy industry is #3 in nation
- #1 agricultural commodity in Idaho
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
EXPERIMENTAL FARM IN RUPERT

University of Idaho

Idaho Dairymen's Association

640 acres purchased in March 2019
PROPOSED EXPERIMENTAL FACILITIES

Cross vent barn for 1200 cows
PROPOSED EXPERIMENTAL FACILITIES

Cross vent barn for 1200 cows
PH 1

MILKING PARLOR
PH 1

FARM OFFICE BUILDING PH 2
CALVING & RESEARCH BARN PH 2
MILKING PARLOR PH 2

COMMODITY BARN PH 2
RESEARCH PONDS PH 2
MANURE PROCESSING PH 2

MODIFICATIONS TO EXISTING POND, PH 2
CORRALS & SHADES PH 2
STATE OF THE ART MILKING SYSTEM (PH 1) - $2 MILLION
STATE OF THE ART MILK BARN (PH 1) - $6 MILLION
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
RESEARCH INFRASTRUCTURE

- Sensor-centric facility for precision agriculture

Two downward and one upward looking Spectral Reflectance Sensors (NDVI)

Crop Stress/Vigor Sensors mounted on the 5th tower of each center pivot

Solar Panel

RGB camera documenting crop vigor

Garmin GPS antenna

Datalogger sending hourly location and NDVI readings via cellular connection

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
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
<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>State of Idaho</th>
<th>University</th>
<th>Donations</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$5.25</td>
<td>$2.5</td>
<td>$2.75</td>
<td>$0</td>
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<tr>
<td>Phase 1</td>
<td></td>
<td></td>
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<tr>
<td>Milking System and Barn, Excavation</td>
<td>$12</td>
<td>$10</td>
<td>$2</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Phase 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Dry Lots, Manure System, Feed Prep, Calving Barn, Farm Office</td>
<td>$13</td>
<td></td>
<td>$4.85</td>
<td>$8.15</td>
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<td>Phase 3</td>
<td></td>
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<tr>
<td>Cross-Ventilated Barn, Equipment Storage</td>
<td>$10</td>
<td></td>
<td></td>
<td>$10</td>
<td></td>
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<tr>
<td>Phase 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$6</td>
</tr>
<tr>
<td>Additional land for nutrient management</td>
<td>$6</td>
<td></td>
<td></td>
<td></td>
<td>$6</td>
</tr>
</tbody>
</table>

**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).
THANK YOU