

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: June 21, 2022

Regular Meetings

6/2/2022	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
6/2/2022	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
6/2/2022	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
6/2/2022	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
6/2/2022	Meeting Notice emailed/faxed to list of media and interested citizens who have requested such notice five (5) or more calendar days before meeting.
6/2/2022	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
6/16/2022	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
6/16/2022	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting.
6/16/2022	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
6/16/2022	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
6/16/2022	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
6/16/2022	Agenda posted electronically on IDL's public website https://www.idl.idaho.gov forty-eight (48) hours before meeting.
4/26/2022	Land Board annual meeting schedule posted – Boise Director's office, Coeur d'Alene staff office, and IDL's public website https://www.idl.idaho.gov .

Special Meetings

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

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

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

Renée Jacobsen

Recording Secretary

June 16, 2022

Date

IDAHO DEPARTMENT OF LANDS



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING JUNE 2022

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, June 21, 2022 in the **State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho**. The meeting is scheduled to begin at 9:00 AM (Mountain).

Please note location.

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/>

Members of the public may register to attend the Zoom webinar through this link:

https://idl.zoom.us/webinar/register/WN_Ou9dhnGrSpaog2pIHkIVlw

First Notice Posted: 6/2/2022-IDL Boise; 6/2/2022-IDL CDA

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

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0242



Idaho State Board of Land Commissioners

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

State Board of Land Commissioners Regular Meeting

June 21, 2022 – 9:00 AM (MT)

Final Agenda

Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho

Please note location.

**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.**

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https://idl.zoom.us/webinar/register/WN_Ou9dhnGrSpaog2pIHkIVlw

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

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

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

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

Consent—Action Item(s)

- 3. Disclaimer of Interest Request DI600315–C & L Family Farms, LLC, Boise River – Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance**
- 4. Strategic Plan FY2023-FY2026 – Presented by Dustin Miller, Director**
- 5. State Membership in Timber Protective Associations – Presented by Dustin Miller, Director**

State Board of Land Commissioners
Final Agenda
Regular Meeting – June 21, 2022
Page 1 of 2

6. **Deficiency Warrant Authority for FY2023 Fire Suppression** – *Presented by Dustin Miller, Director*
7. **Approval of Draft Minutes** – April 19, 2022 Regular Meeting (Boise)

Executive Session

A. **Disposition of Cougar Island on Payette Lake**

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

B. **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.

Regular—Action Item(s)

8. **Disposition of Cougar Island on Payette Lake** – *Presented by Josh Purkiss, Bureau Chief-Real Estate Services*
9. **Asset Allocation Study 2022** – *Presented by Janet Becker-Wold, Senior Vice President, Callan, and Jim Van Heuit, Senior Vice President, Callan*
10. **Land Bank Fund Transfer to Permanent Fund** – *Presented by Dustin Miller, Director*
11. **Approval of Upper McKinnon Timber Sale with Clearcut Harvest Units** – *Presented by Jim Elbin, Division Administrator-Trust Land Management*
12. **Approval of Moose Drool Timber Sale with Clearcut Harvest Unit** – *Presented by Jim Elbin, Division Administrator-Trust Land Management*
13. **Personnel Matter** – *No Board Materials*

Information

14. **Pre-Season Fire Forecast/Update** – *Introduction by Craig Foss, State Forester/Division Administrator-Forestry and Fire*
 - A. Predictive Services Forecast – *Jim Wallman, Meteorologist, NIFC*
 - B. Resource Readiness – *Josh Harvey, Bureau Chief-Fire Management*
 - C. Rangeland Fire Protection Associations – *Rick Finis, South Idaho Fire Liaison*



Idaho Statutes

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

TITLE 74

TRANSPARENT AND ETHICAL GOVERNMENT

CHAPTER 2

OPEN MEETINGS LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

History:

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

STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Trust Land Revenue

Timber Sales

During May 2022, the Department of Lands sold five timber sales at auction. All sales had competitive bidding. The net sale value represents 19% up bid over the appraised value. One endowment timber sale did not sell at auction. This sale is a small saw timber fire salvage sale. The sale will be reappraised for its third attempt at auction. One Good Neighbor Authority (GNA) sale was sold as appraised.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlogs MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Huck Patches OSR	CLW	1,210			\$ 311,664.50	\$ 312,378.00	\$258.16	IFG Timber LLC
Quarter Road	CLW	3,090			\$ 821,471.00	\$ 914,763.00	\$296.04	IFG Timber LLC
Last Elk	SJ	10,325			\$2,206,445.50	\$2,788,557.00	\$270.08	IFG Timber LLC
Flat Fish	SJ	7,020	150		\$2,141,173.50	\$2,680,960.45	\$373.91	PotlatchDeltic
Elks Hollow Pulp	CLW	3,660	220	1,980	\$1,121,932.00	\$1,132,144.70	\$193.20	Clearwater Paper
Endowment		25,305	370	1,980	\$6,602,686.50	\$7,828,803.15	\$283.09	
Stray Creek GNA	MC	11,250	220	370	\$2,349,025.00	\$2,349,025.00	\$198.40	IFG Timber LLC
Non-Endowment		11,250	220	370	\$2,349,025.00	\$2,349,025.00	\$198.40	

PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Brush Cedar	4,545	\$ 2,994,523	Ponderosa	6/1/2022
Albeni GNA Ton	3,370	\$ 355,386	IPNF	6/9/2022
Freebob	1,020	\$ 220,698	POL	6/21/2022
Falling Color Cedar	1,515	\$ 791,396	POL	6/21/2022
Wildcat Cedar	7,455	\$ 2,886,600	PL	6/28/2022
Leftover Lost	4,850	\$ 1,564,836	PL	6/28/2022
Goat Creek Salvage	5,760	\$ 466,327	St. Joe	6/30/2022
Jumping Elk	6,225	\$ 1,786,631	St. Joe	6/30/2022
TOTALS	34,740	\$ 11,066,397		

PROPOSED TIMBER SALES FOR AUCTION – continued

Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
South Operations				
Hardball	4,215	\$ 478,544	Payette Lakes	6/7/2022
Skyhigh Ton Salvage	2,915	\$ 341,212	Payette Lakes	6/7/2022
Coyote Ridge Ton	1,100	\$ 37,018	Eastern	6/15/2022
Blackfoot Mountains OSR Ton	1,600	\$ 52,324	Eastern	6/15/2022
Gold Spring Ton	8,842	\$ 38,881	Eastern	6/15/2022
Dry Buck Summit	9,657	\$ 1,831,877	Southwest	6/23/2022
Benton Middle Cedar Salvage	9,700	\$ 1,629,898	Clearwater	6/29/2022
Benton West Cedar Salvage	8,330	\$ 1,459,477	Clearwater	6/29/2022
TOTALS	46,359	\$ 5,869,231		

VOLUME UNDER CONTRACT as of May 31, 2022

	Public School	Pooled	Total	3 Year Avg.
Active Contracts			173	170
Total Residual MBF Equivalent	338,197	207,224	545,421	569,600
Estimated residual value	\$90,631,325	\$52,288,776	\$142,920,101	\$149,830,282
Residual Value (\$/MBF)	\$267.98	\$252.33	\$262.04	\$263.04

TIMBER HARVEST RECEIPTS

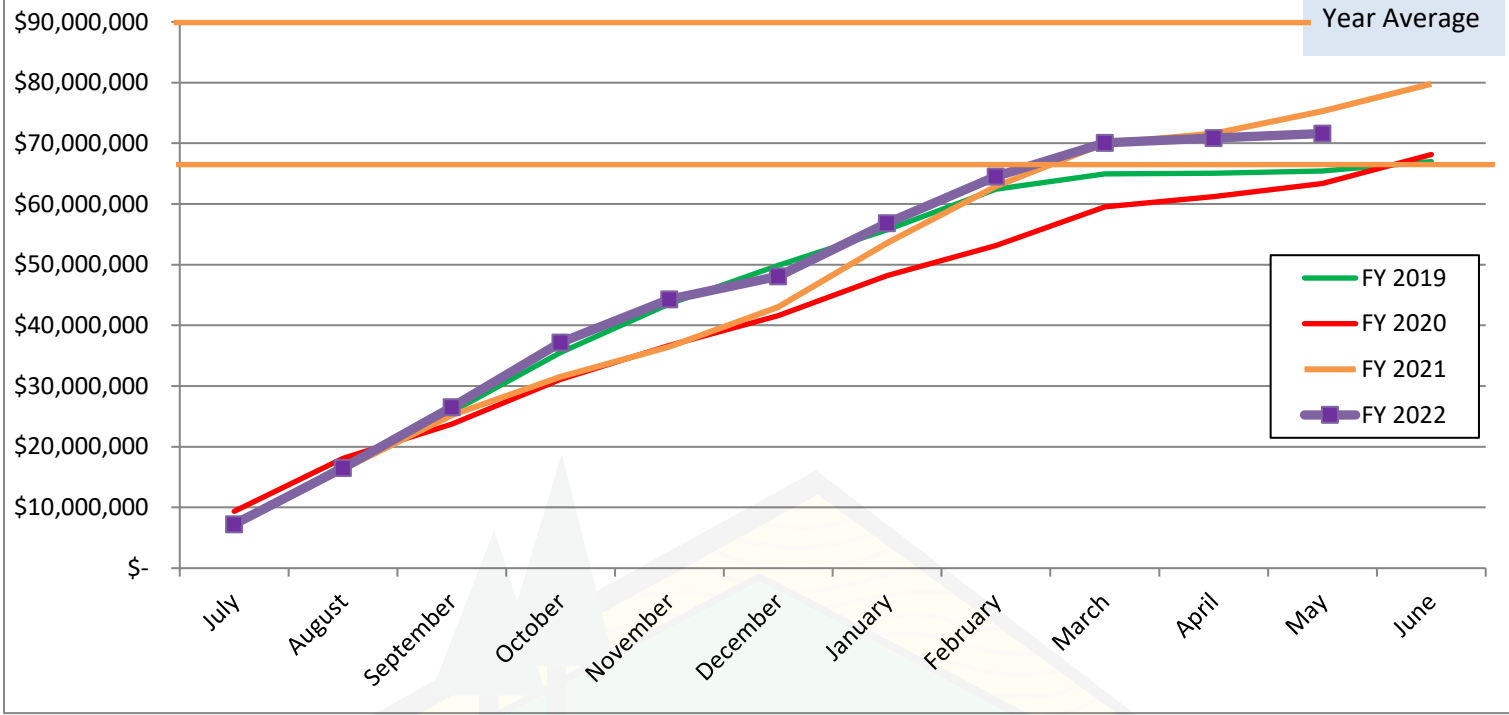
	May				FY to date		June Projected			
	Stumpage		Interest		Harvest Receipts		Stumpage		Interest	
Public School	\$	557,885.11	\$	36,423.25	\$	45,054,194.37	\$	2,756,833.05	\$	175,970.30
Pooled	\$	157,995.01	\$	7,742.01	\$	26,552,634.57	\$	891,468.22	\$	99,355.76
General Fund	\$	2.13	\$	0.00	\$	10.78	\$	2.13	\$	0.00
TOTALS	\$	715,882.25	\$	44,165.26	\$	71,606,839.72	\$	3,648,303.40	\$	275,326.06

Status of FY2022 Timber Sale Program

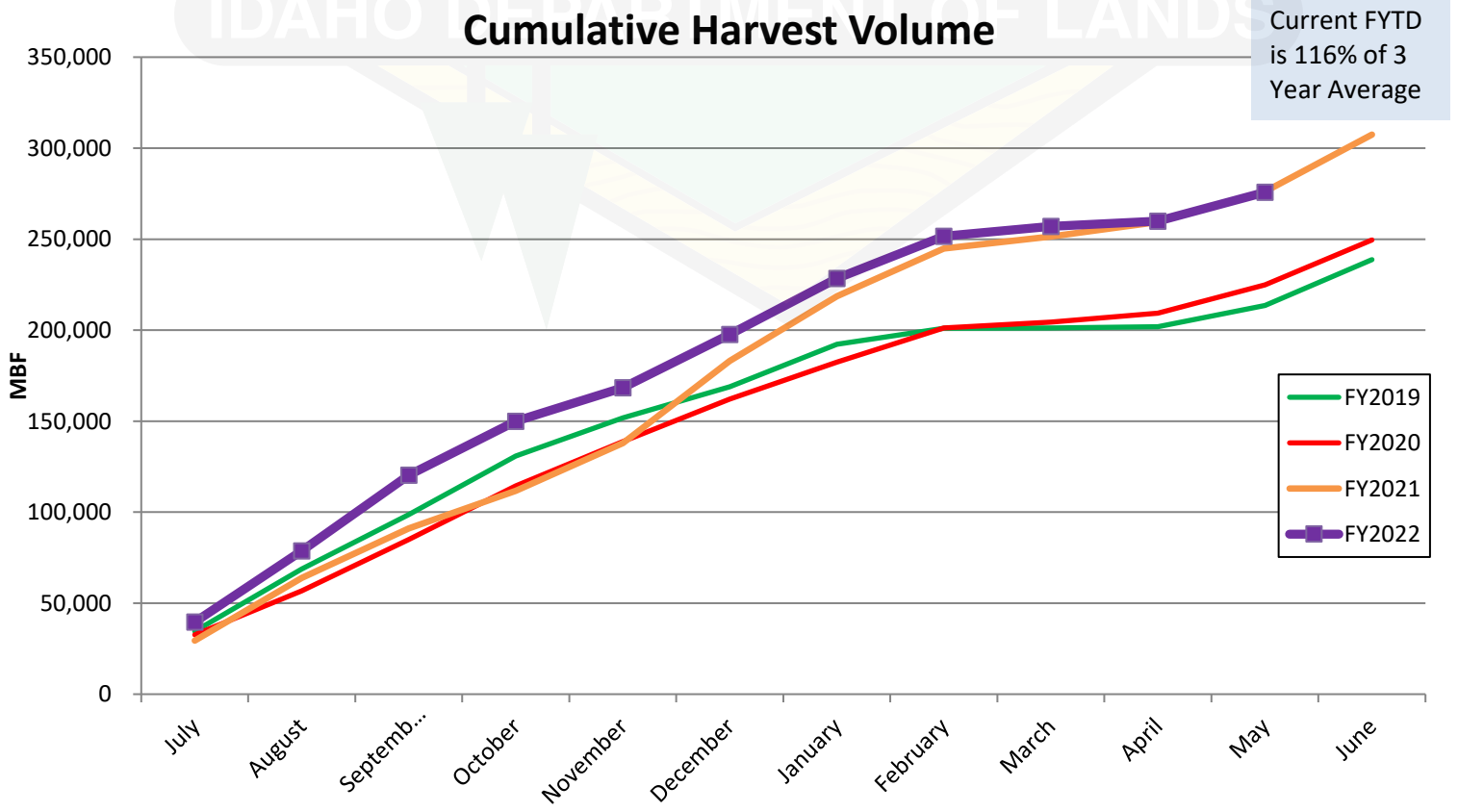
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of May 31, 2022	148,756	81,221	229,977	24,970	15,779	40,749
Currently Advertised	46,146	2,801	48,947	2,500	0	2,500
In Review	6,022	21,472	27,494	979	7,016	7,995
Did Not Sell*	0	0	0	0	0	0
TOTALS	200,924	105,494	306,418	28,449	22,795	51,244
FY2022 Sales Plan			311,195			20,600
Percent to Date			98%			249%

*After three attempts at auction.

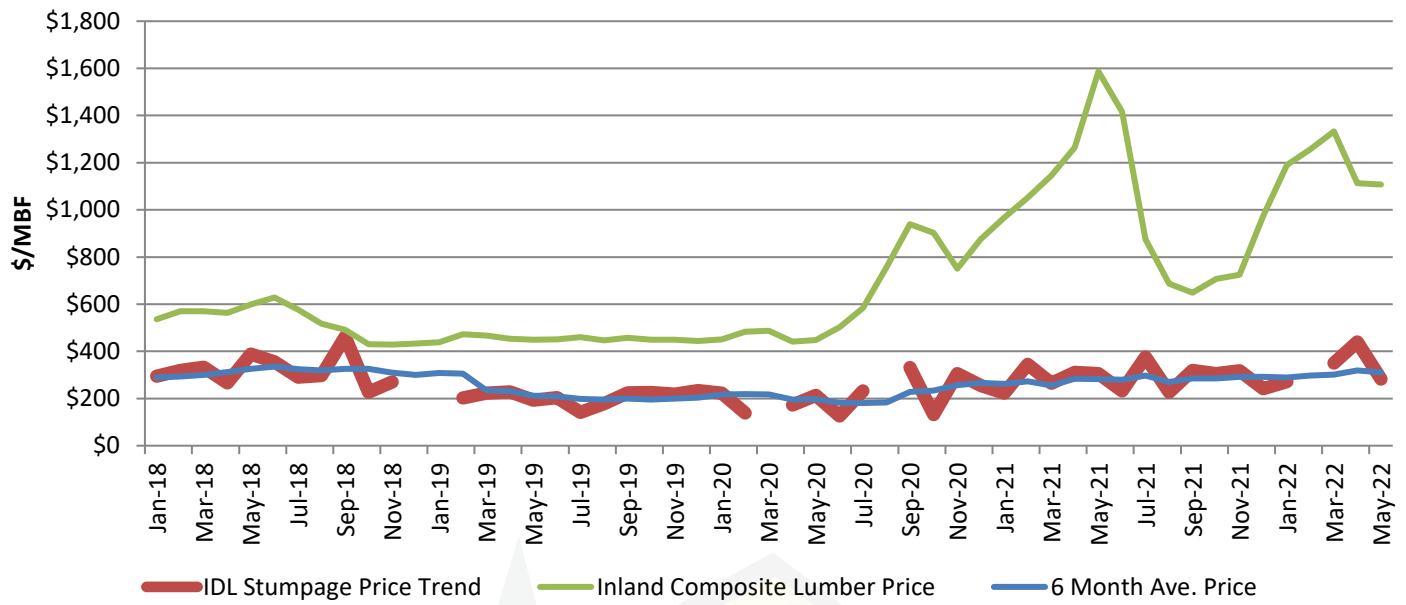
Cumulative Harvest Receipts



Cumulative Harvest Volume

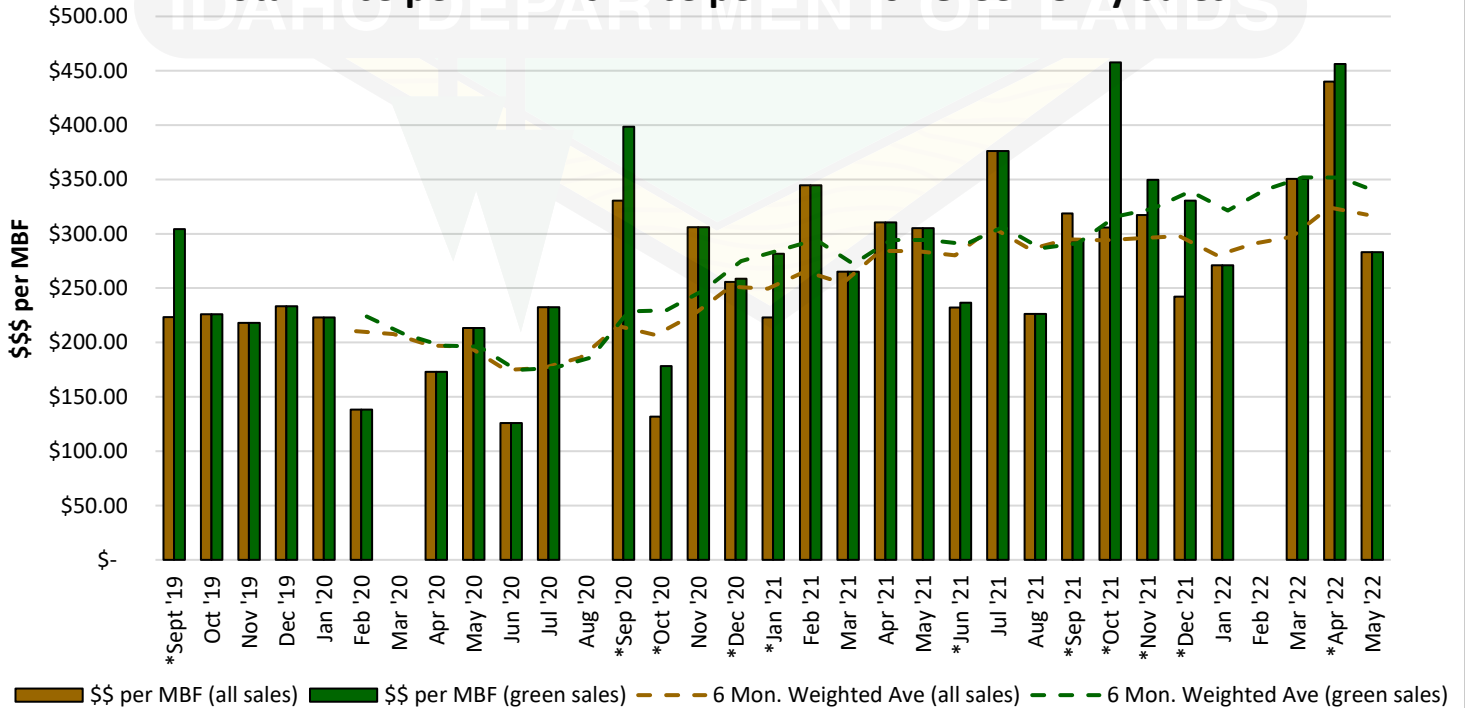


Monthly Lumber and Stumpage Price



May 2022 6-month average price is \$310.52.
May 2021 6-month average price was \$282.26.

Total Price per MBF vs Price per MBF for Green Only Sales



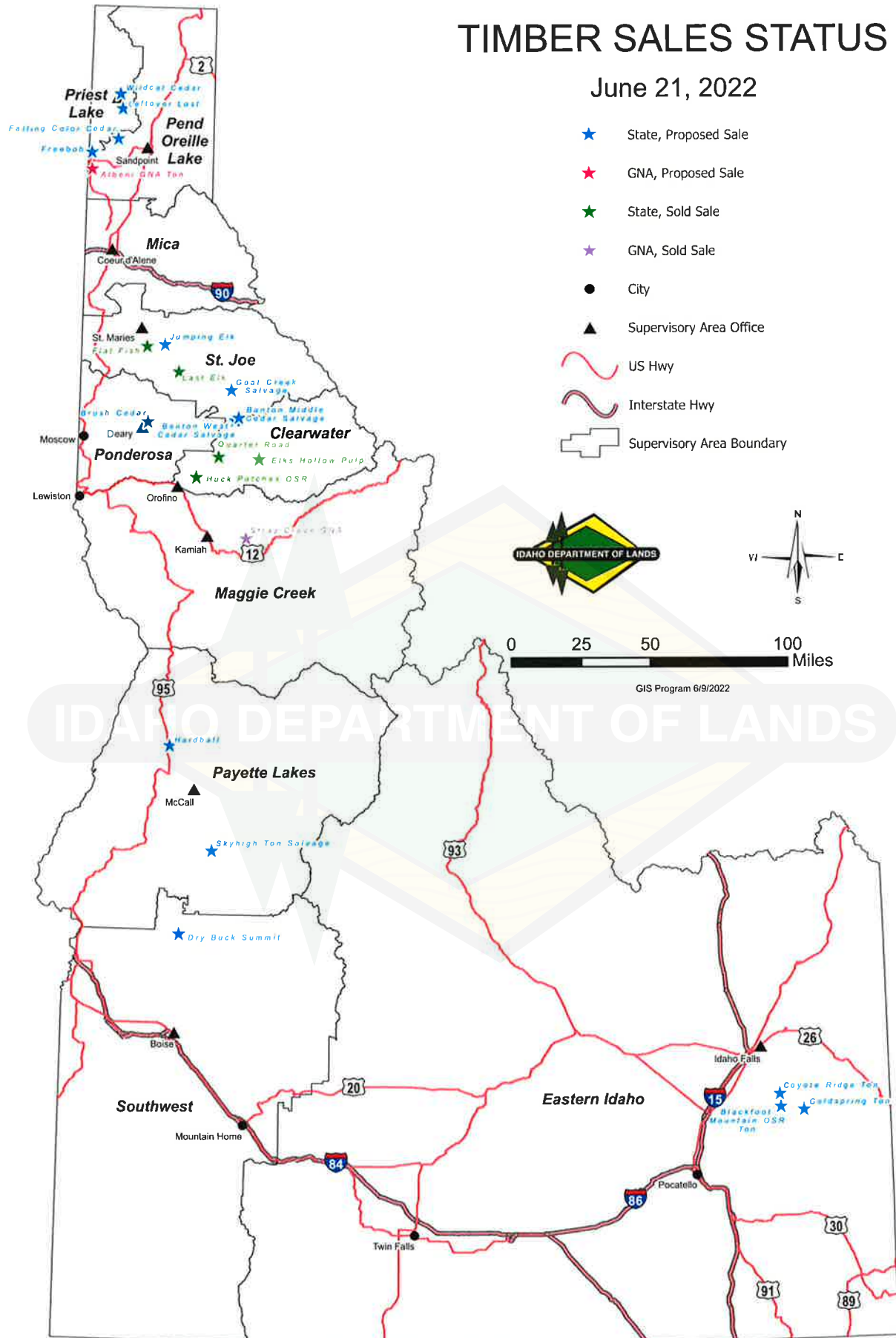
*Month where a salvage sale was sold

Trendlines are a 6-month average of the net sale price split out by all sales and green sales only.

May 2022 month average was the sale for green and all sales: \$283.09/MBF

TIMBER SALES STATUS

June 21, 2022



STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Endowment Transactions

Leases and Permits

FISCAL YEAR 2022 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through May 31, 2022														
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD	
SURFACE														
Agriculture	-	-	-	-	1	-	-	-					1	
<i>Assignments</i>	-	-	-	-	-	-	-	-					0	
Communication Sites	-	-	2	-	2	1	1	-			1		7	
Grazing	-	3	2	5	5	1	-	-			3		19	
<i>Assignments</i>	2	-	1	-	4	2	1	7	4	5			26	
Residential	1	-	1	-	7	-	-	-			1		10	
<i>Assignments</i>	-	-	1	-	1	-	-	-					2	
COMMERCIAL														
Alternative Energy	-	-	-	-	-	-	-	-					0	
Industrial	-	-	-	-	-	-	-	-					0	
Military	-	-	-	-	-	-	-	-					0	
Office/Retail	-	-	-	-	-	-	-	-					0	
Recreation	-	-	-	-	-	-	-	-					0	
<i>Assignments</i>	-	-	-	-	-	-	-	-					0	
OTHER														
Conservation	-	-	-	-	2	-	-	-					2	
<i>Assignments</i>	-	-	-	-	-	-	-	-					0	
Geothermal	-	-	-	-	-	-	-	-					0	
Minerals	-	-	-	1	-	-	-	-	3		16		20	
<i>Assignments</i>	-	-	-	-	-	1	-	-					1	
Non-Comm Recreation	-	-	-	-	-	-	-	-					0	
Oil & Gas	-	-	-	-	-	-	-	-					0	
PERMITS														
Land Use Permits	9	9	9	2	11	9	8	8	19	4	11		99	
TOTAL INSTRUMENTS	12	12	16	8	33	14	10	15	26	9	32		187	

Real Estate

REAL ESTATE

FISCAL YEAR 2022 – REAL ESTATE TRANSACTIONS BY MONTH – through May 31, 2022														
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD	
Deeds Acquired	-	-	-	1	-	2	-	-	1				4	
Deeds Granted	-	-	5	10	2	2	5	-	2				26	
Deeds Granted - Surplus	-	-	-	-	-	-	-	-					0	
Easements Acquired	-	-	-	2	1	-	-	-					3	
Easements Granted	-	2	-	5	2	-	-	-			2		11	

Land Exchange Updates:

Avimor - Title issues continue to prevent the Department from bringing this forward for Land Board final approval to close.

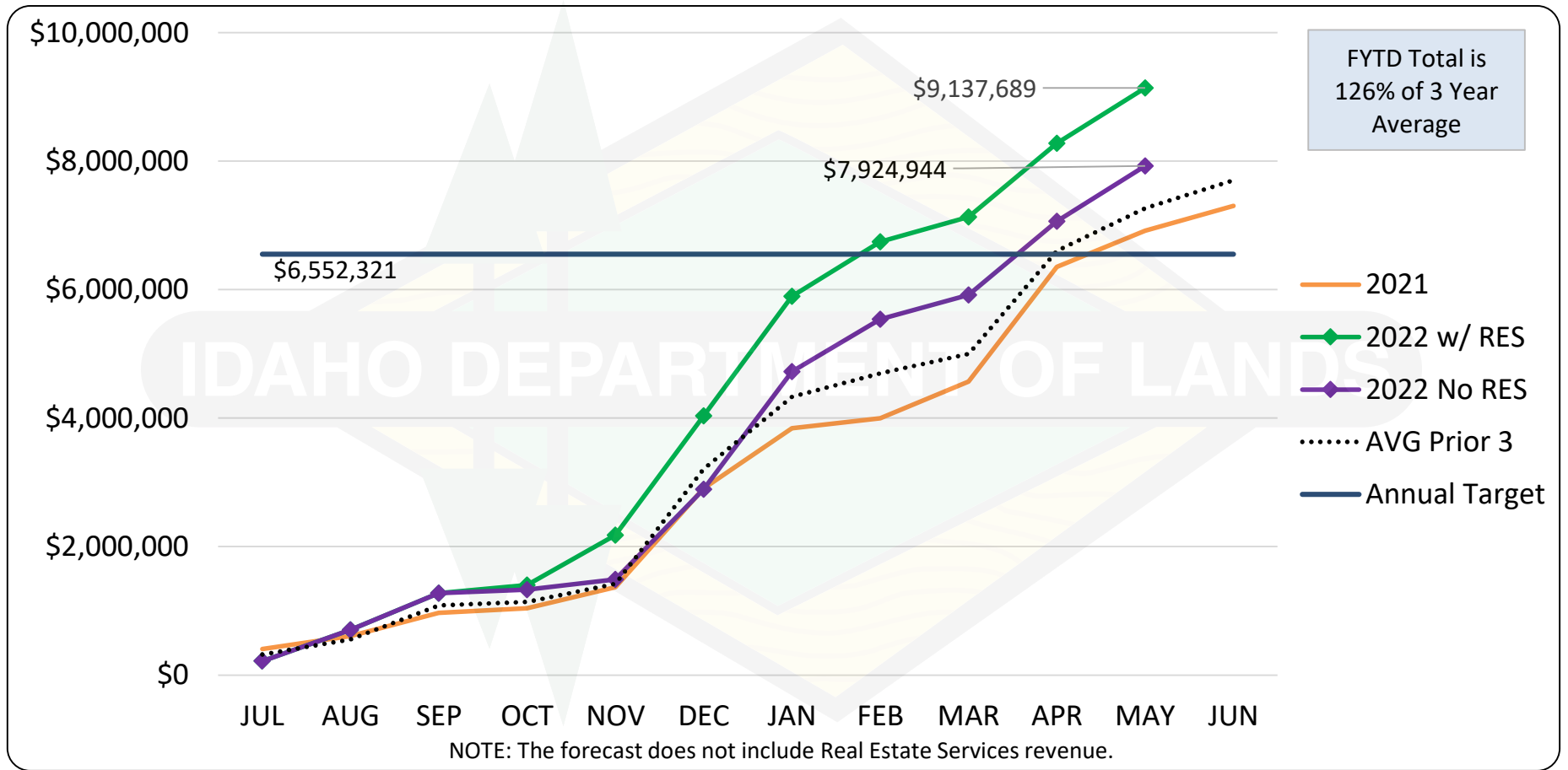
TRUST LAND MANAGEMENT DIVISION
FY2022 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through May 31, 2022

	ACTUAL RECEIPTS AS OF 05.31.2022	REVENUE EXPECTED BY 05.31.2022**	REVENUE EXPECTED BY 06.30.2022
SURFACE			
AGRICULTURE	\$ 497,725	\$ 481,700	\$ 491,700
COMMUNICATION SITES	\$ 1,237,972	\$ 1,000,890	\$ 1,011,000
GRAZING	\$ 1,795,352	\$ 1,787,000	\$ 1,817,000
RESIDENTIAL	\$ 1,030,786	\$ 1,022,700	\$ 1,303,345
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 25,782	\$ 21,859	\$ 21,859
COMMERCIAL INDUSTRIAL	\$ 153,158	\$ 84,717	\$ 84,967
COMMERCIAL MILITARY	\$ 181,085	\$ 6,463	\$ 91,463
COMMERCIAL OFFICE/RETAIL	\$ 907,703	\$ 825,906	\$ 923,859
COMMERCIAL RECREATION	\$ 606,749	\$ 531,300	\$ 531,800
OTHER			
CONSERVATION LEASES	\$ 74,375	\$ 65,000	\$ 65,000
GEOTHERMAL	\$ 1,250	\$ -	\$ -
MINERAL	\$ 1,297,523	\$ 105,403	\$ 105,403
NON-COMMERCIAL RECREATION	\$ 113,524	\$ 96,760	\$ 98,452
OIL AND GAS LEASES	\$ 1,960	\$ 6,473	\$ 6,473
Sub Total	\$ 7,924,944	\$ 6,036,171	\$ 6,552,321
*REAL ESTATE SERVICES	\$ 1,212,745		
Grand Total	\$ 9,137,689		

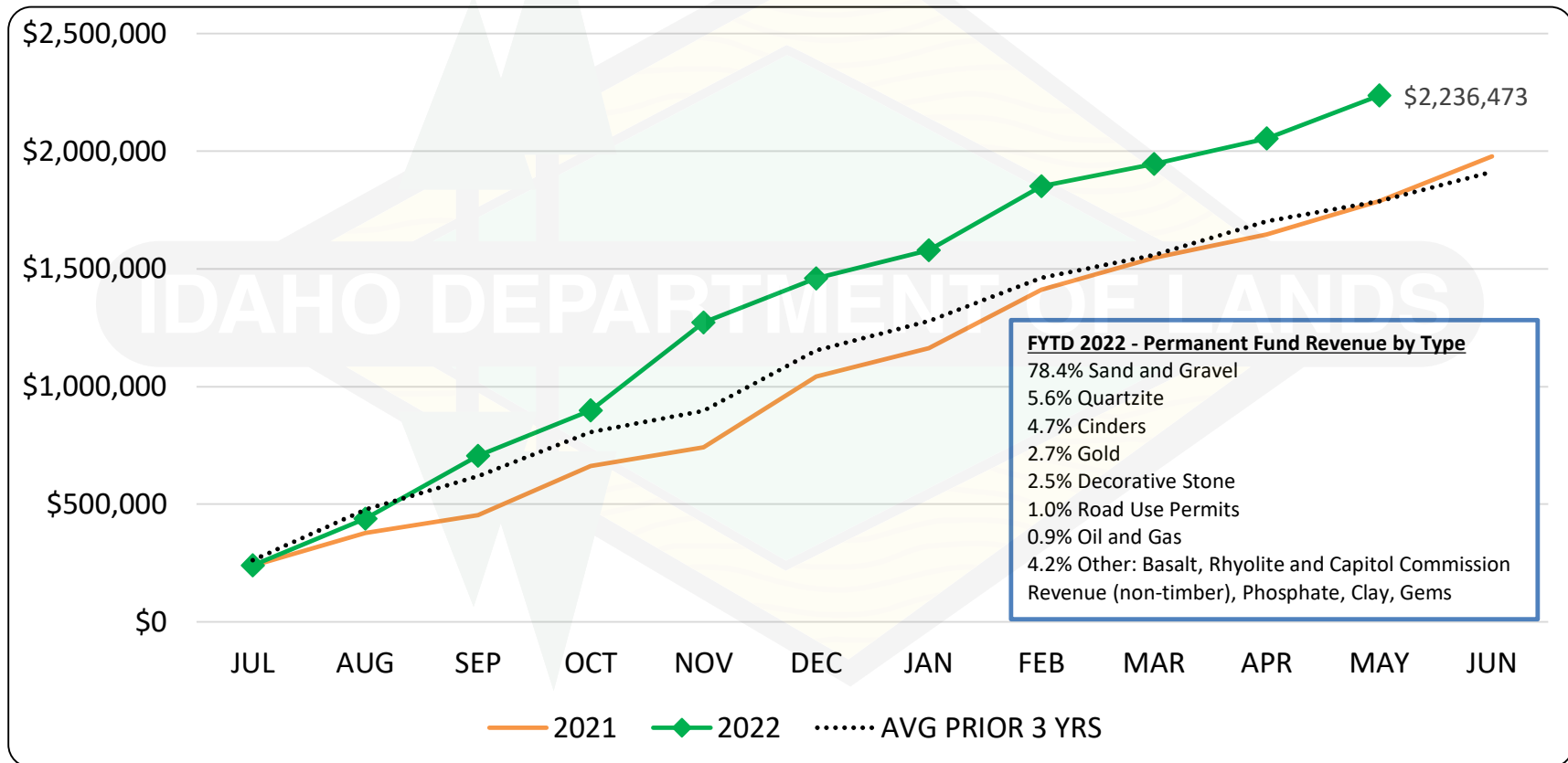
* This category is not included in the annual forecast.

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

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



Cumulative Trust Land Permanent Fund Revenue/Royalties (Does NOT include Land Bank or Timber Program Revenue) FY 2021 - FYTD 2022





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

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through May 31, 2022

Month: 0.3% Fiscal year: -7.1%

Equity markets sold off during the first half of May as higher interest rates intended to subdue inflation fueled fears of a recession. Financial markets rallied in the second half of the month as equity valuations began to appear attractive and Shanghai reopened as covid cases dropped. The overall economic outlook points to a weakening macro environment, which is what the Fed and other central banks have orchestrated to fight inflation. Inflation appears to have peaked, but it is unclear whether the Fed can bring inflation down to reasonable levels without stalling the economy.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 are well secured. At the end of May, earnings reserve balances were the equivalent of 6.4 years of distributions for Public School and 5.8 - 6.9 years of distributions for the other endowment funds.

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.

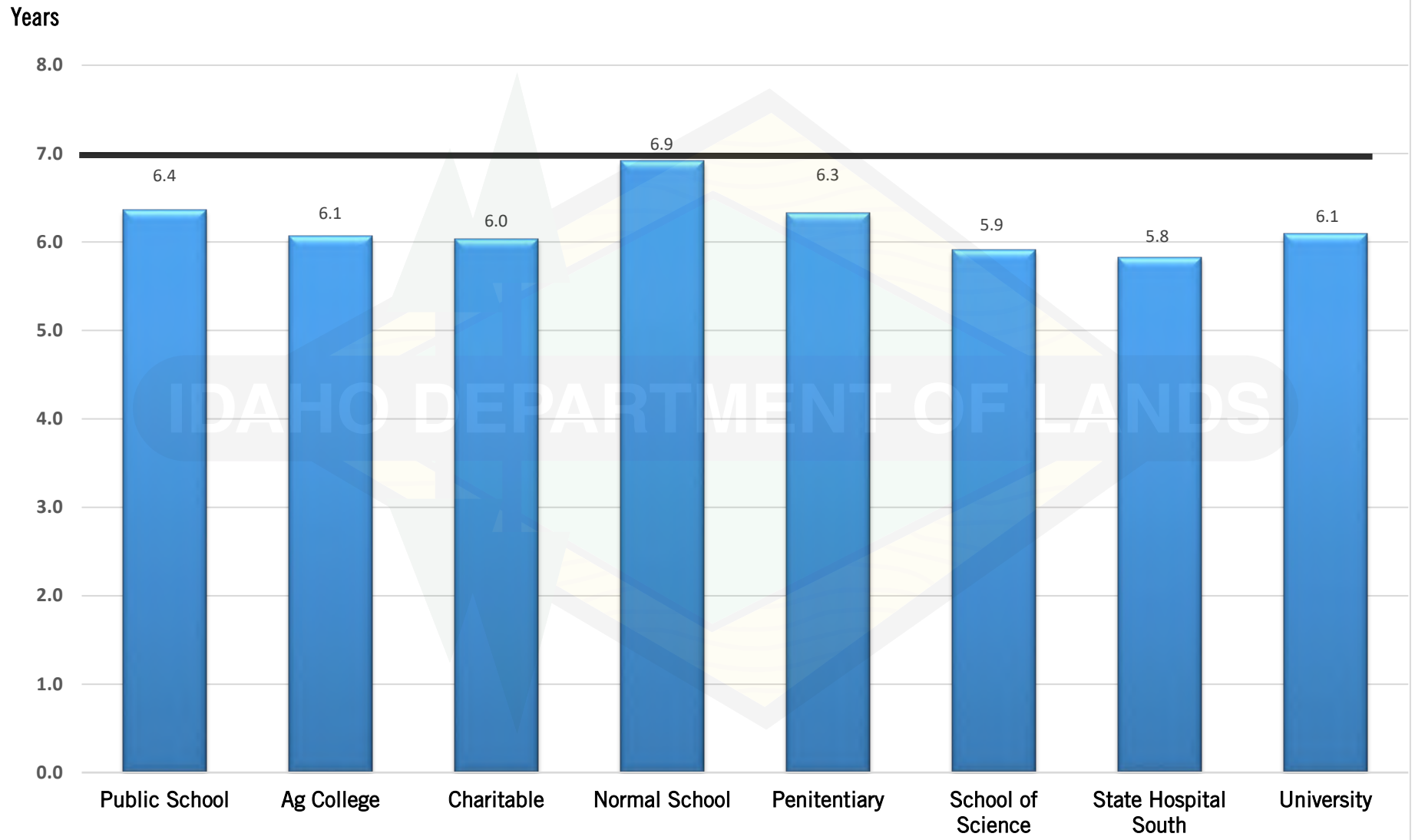
Changes in board membership or agency staffing: None.

Upcoming issues/events

Audit Committee Meeting – August 17, 2022

Board Meeting – August 17, 2022

Years of Reserve and Desired Target Estimate - May 31, 2022

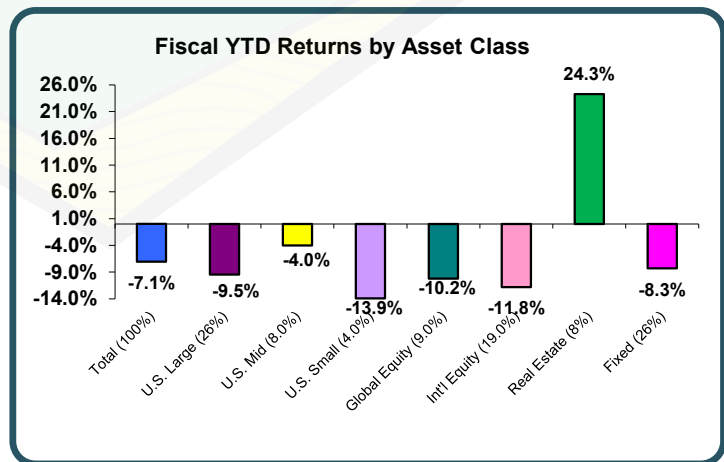


	Month	FYTD
Beginning Value of Fund	\$ 2,849,438,261	\$ 3,107,842,560
Distributions to Beneficiaries	(7,464,708)	(80,861,788)
Land Revenue net of IDL Expenses	(4,246,048)	61,795,801
Change in Market Value net of Investment Mgt. Expenses	20,828,958	(230,220,110)
Current Value of Fund	\$ 2,858,556,463	\$ 2,858,556,463

	Current Month	Calendar Y-T-D	Fiscal Y-T-D	One Year	Three Year	Five Year	Ten Year
Gross Returns							
Total Fund	0.3%	-11.0%	-7.1%	-6.0%	10.0%	8.6%	9.3%
Total Fund Benchmark*	0.3%	-10.2%	-6.1%	-4.9%	9.1%	7.7%	8.8%
Total Fixed	0.3%	-9.0%	-8.3%	-7.6%	0.5%	1.5%	1.7%
BBG U.S. Agg	0.6%	-8.9%	-8.9%	-7.4%	0.6%	1.5%	1.7%
Total Equity	0.2%	-14.6%	-9.9%	-8.7%	13.6%	11.1%	12.1%
38% R3 19% Ax 9% AC	0.1%	-12.8%	-7.9%	-6.6%	12.4%	9.9%	11.5%
Domestic Equity	0.2%	-14.1%	-8.8%	-7.5%	15.3%	12.8%	14.0%
Russell 3000 (R3)	-0.1%	-13.9%	-6.0%	-3.7%	15.6%	12.7%	14.0%
Global Equity	-0.8%	-16.6%	-10.2%	-8.2%	12.6%	9.9%	9.5%
MSCI ACWI (AC)	0.1%	-12.8%	-8.0%	-6.8%	11.7%	9.0%	10.3%
Int'l. Equity	0.8%	-14.5%	-11.8%	-11.5%	10.6%	8.1%	8.4%
MSCI ACWI ex-US (Ax)	0.7%	-10.7%	-11.8%	-12.4%	6.5%	4.4%	6.4%
Real Estate			24.3%	24.3%	10.1%	8.8%	
NCREIF ODCE Index			18.8%	21.0%	8.2%	7.7%	

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

	Mkt Value	Allocation
Domestic Equity	\$ 1,091.2	38.2%
Large Cap	737.7	25.8%
Mid Cap	233.2	8.2%
Small Cap	120.4	4.2%
Global Equity	244.4	8.6%
Int'l Equity	551.7	19.3%
Fixed Income	709.6	24.8%
Real Estate	256.7	9.0%
Cash	3.6	0.1%
Total Fund	\$ 2,858.6	100.0%



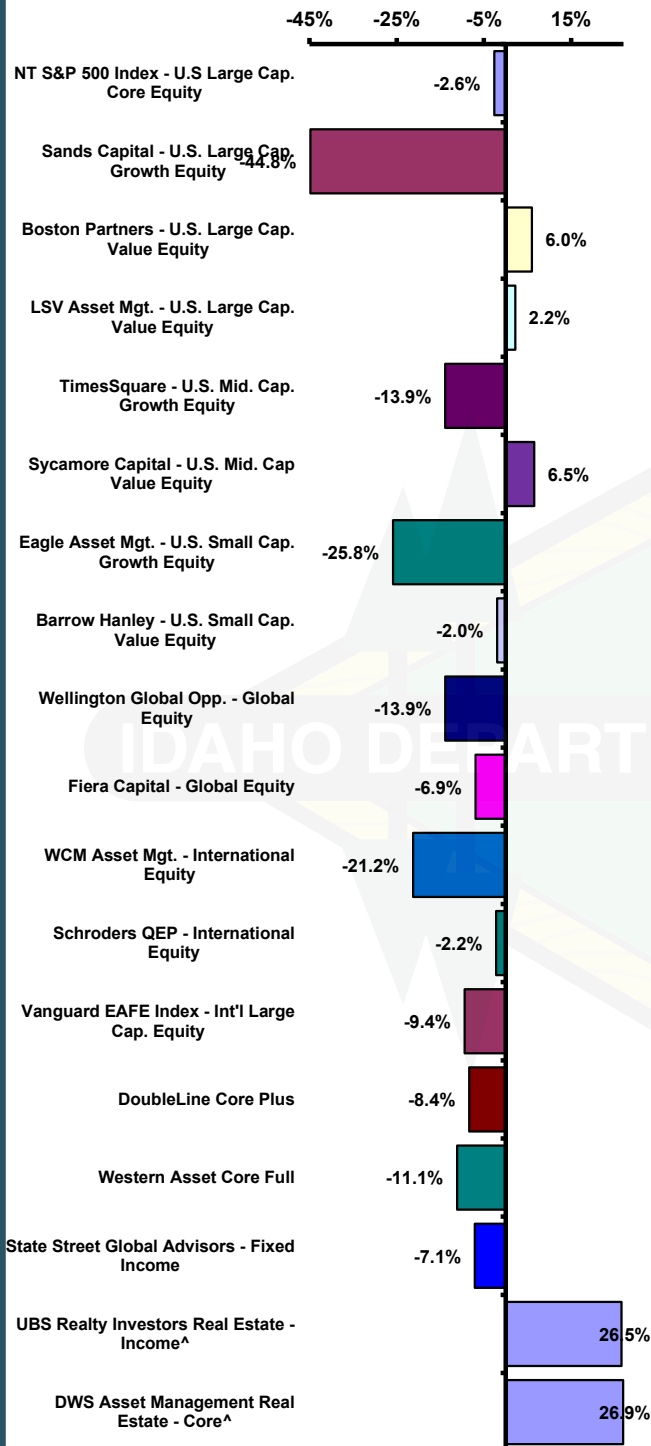
Endowment Fund Staff Comments:

Equity markets sold off during the first half of May as higher interest rates intended to subdue inflation fueled fears of a recession. Financial markets rallied in the second half of the month as equity valuations began to appear attractive and Shanghai reopened as covid cases dropped. The overall economic outlook points to a weakening macro environment, which is what the Fed and other central banks have orchestrated to fight inflation. Inflation appears to have peaked, but it is unclear whether the Fed can bring inflation down to reasonable levels without stalling the economy.

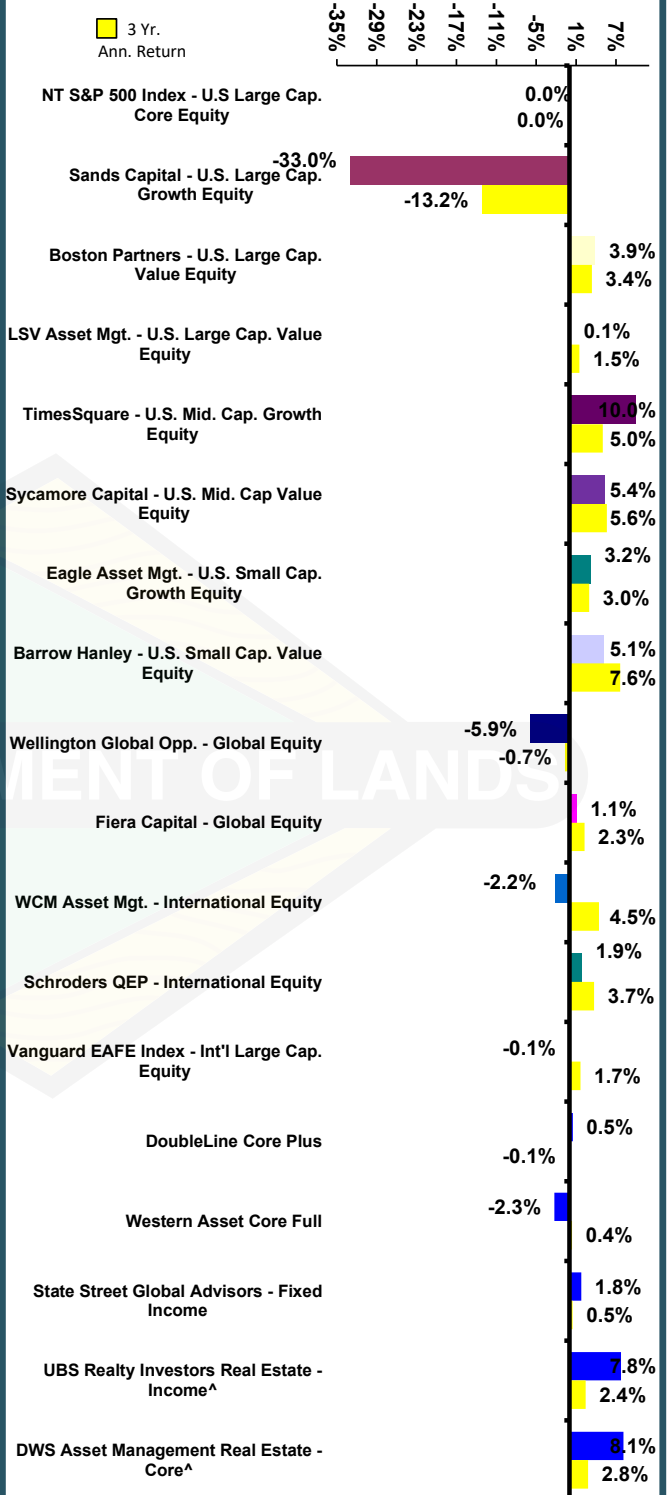
May 31, 2022

INVESTMENT REPORT

FYTD Manager Returns



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



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

STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Consent Agenda

Subject

DI600315, Disclaimer of Interest for the former bed of the Boise River, Canyon County, Idaho.

Question Presented

Shall the Land Board approve Disclaimer of Interest DI600315?

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. These accreted lands are subject to adverse possession by the adjacent upland landowner through a quiet title action. Land Board policy directs the Idaho Department of Lands (Department) to work with these landowners and pursue disclaimers of interest for clearing title to the accreted land.

Discussion

C & L Family Farms, LLC has applied for a disclaimer of interest on a parcel of accretion land totaling 28.77 acres, more or less. This parcel is located within the original surveyed meander lines of the Boise River adjacent to the applicant's deeded property in Section 12, Township 4 North, Range 4 West (Attachment 1-Map).

After the applicant paid the \$300 application fee, the Department identified the OHWM on site and the applicant's licensed surveyor completed a survey. The Department reviewed the survey, deeds, and tax documents and determined that the disclaimer was ready to move forward.

C & L Family 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 Boise River. In addition, C & L Family Farms, LLC will grant the State of Idaho a disclaimer of interest for three parcels of land located below the ordinary high water mark totaling 1.37 acres.

Recommendation

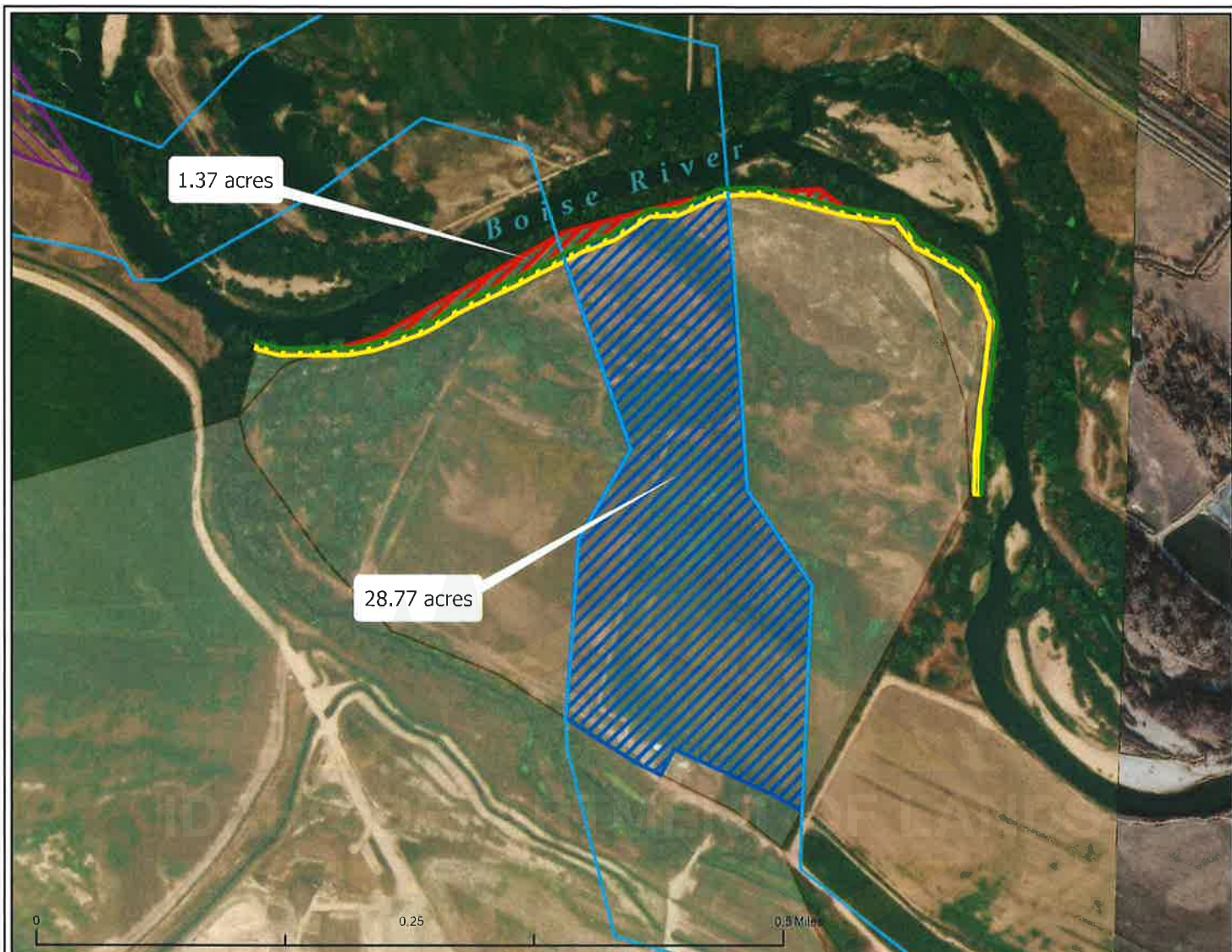
Direct the Department to issue a Disclaimer of Interest for one parcel totaling 28.77 acres of the former bed of the Boise River to C & L Family Farms, LLC, following their payment to the Department of the remaining processing fee of \$300.

Board Action

Attachments

1. Map





- Meander Line
- Ordinary High Water Mark
- Access Easement
- Disclaimed BY State
- Disclaimed TO State
- ExistingDisclaimers

DI600315

C & L Family Farms, LLC
Sec 12 - T04N - R04W

3/30/2022



Map Notes

Projection: Idaho Transverse Mercator, NAD 83

Map Notes and Data Sources

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

Vicinity Map



STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Consent Agenda

Subject

Department of Lands FY2023-FY2026 Strategic Plan

Question Presented

Shall the Land Board direct the Department to submit its FY2023-FY2026 Strategic Plan to the Division of Financial Management by July 1, 2022?

Background

Each year the Division of Financial Management (DFM) collects agency strategic plans in accordance with Idaho Code §§ 67-1901–1904. This year's deadline for submittal is July 1, 2022.

Discussion

In 2016, leaders in the Idaho Department of Lands (Department) worked with a consultant to define four foundational goals that are at the heart of its strategic plan. These four goals continue to represent the Department's core responsibilities and guide daily activities.

The four foundational goals are:

1. **Financial Stewardship:** Fulfill the Land Board's fiduciary duties by maximizing long-term financial returns from the endowment lands and through prudent management of state funds and resources.
2. **Customer Focused:** Deliver programs with professionalism and integrity, providing exemplary service to external and internal customers.
3. **People:** Develop a well-trained, high-performing workforce focused on carrying out the Department's mission.
4. **Process:** Implement policies and procedures using integrated systems that support effective and informed decision-making.

While these goals continue to stand the test of time, the Department's leadership team recently developed a set of six secondary goals called future-proofing goals. The Department believes that to be ready to serve a changing Idaho, it needs to plan and act now to meet future needs.

For that reason, the Department developed the following future-proofing goals:

1. **Classification & Compensation:** Intentionally monitor the equity of pay and benefits to utilize PC appropriation to hire, develop, and retain the right people in the right positions most effectively.
2. **Office Facilities:** Proactively plan to maintain offices throughout the state.

3. **Seasonal Housing Facilities:** Understand and meet the needs of temporary staff who must have affordable housing options in remote areas of Idaho.
4. **Fire:** Monitor, understand and respond to changes that are happening in wildland fire organizations across the country due to longer and hotter seasons, fewer firefighters entering the career field, lagging wages and more citizens residing in the Wildland Urban Interface (WUI).
5. **Fund Integrity:** Ensure dedicated fund dollars are put to work in the programs for which they are intended and that overhead activities are funded proportionately with the correct programmatic mix.
6. **Policy and Procedure:** Update and organize the Department's many policies and procedures that inform daily work while ensuring governance is clearly established and authority is delegated where appropriate.

While core goals are likely to remain long into the future, these future-proofing goals may change over time as the Department continues to identify and prioritize new initiatives that need attention.

The performance of all employees within the Department will be monitored by incorporating cascading tasks and setting objectives in performance plans that align with these goals. High-level tasks have been identified for each of the goals to help guide staff with clear direction. This alignment ensures all efforts are focused on the most important goals and that each employee can more clearly see how his or her role directly links to the goals and mission of this organization.

The proposed strategic plan structure, which includes the Department's mission, vision, goals, and strategies is provided as Attachment 1.

The Department's final strategic plan submission on or before July 1, 2022 will meet all of the required elements as outlined by DFM.

Recommendation

Direct the Department to submit its FY2023-FY2026 Strategic Plan to the Division of Financial Management by July 1, 2022.

Board Action

Attachments

1. FY2023-FY2026 Strategic Plan

Idaho Department of Lands

Strategic Plan FY2023–FY2026

Vision

Prepared for tomorrow's natural resource challenges.

Mission

To professionally and prudently manage Idaho's endowment assets to maximize long-term financial returns to the public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect, and sustain their natural resources.

Guiding Tenets

We believe if we care for our staff, customers, processes, and finances, we will be a healthy, proactive and effective organization. We will ensure important departmental decisions consider the following:

- Fiduciary Duty – Does this decision maximize long term financial returns from the endowment lands and provide for prudent management of state funds and resources?
- IDL Staff – Is this decision consistent with the development and retention of a high performing workforce that is cohesive and accountable?
- Customers – With this decision, are we providing exemplary service to our customers?
- Processes – Is the decision informed by data and consistent with our policies and procedures?
- Forward-looking – Is this decision preparing us for success in the future?

IDL Programs Make Idaho Better!

First and foremost, we are committed to ensuring we meet our mission by executing our core programs with professionalism and a love of Idaho's natural resources.

In the **Timber** program we manage over 1 million acres of productive timberland to produce sustainable revenue for the endowment beneficiaries. Timberland is managed intensively while focusing on long term health and productivity. The Timberland asset class currently provides about 25-30% of timber utilized by Idaho's vibrant \$2.4 billion forest products industry while producing impressive returns on endowment lands. The department develops and follows the IDL Forest Asset Management Plan (FAMP) to attain our sustainable harvest goals.

The **Fire** program is responsible for fire suppression on over 6 million acres of endowment, private, and federal lands in Idaho and provides cooperative fire suppression throughout the state. Our fire suppression operations are conducted safely and aggressively with the goal of suppressing at least 94% of fires at 10 acres or less.

The **Real Estate and Endowment Leasing** programs lease land assets including rangeland, farmland, and residential and commercial real estate. These asset classes (timber excluded) make up approximately 1.4 million acres of land in Idaho. As the department has divested of much of the residential and commercial real estate overtime, the programs continue to explore new ways to generate revenue for the beneficiaries such as alternative energy. Real Estate Services also manages land acquisitions, land disposals and land exchanges for the department which are used to block up endowment lands, improve access to endowment lands, and to add desirable acres to the portfolio.

The **Minerals, Navigable Waterways, and Oil & Gas** programs provide statewide regulatory oversight of active and legacy extraction operations while protecting the public's use of navigable lakes and rivers. We regularly partner with local, state, and federal agencies to ensure Idaho's beautiful outdoors are protected and restored.

The **Forestry Assistance, Shared Stewardship and Good Neighbor (GNA)** programs work with federal, state, county, and private partners to help manage and protect forest and rangelands throughout the state. Since wildfire, insects and disease do not recognize ownership boundaries, it is vital that all owners of Idaho lands collaborate to actively manage their forests and implement fuels-reduction treatments. Healthy forests are more resistant to fire, insect, and disease threats.

External Factors Affecting Future Performance

We believe by maintaining our focus on our core competencies and simultaneously preparing for what a changing and growing Idaho may hold, we will continue to flourish. Some external factors that we will need to monitor, acknowledge, and respond to are:

- Population Growth
 - An increase in residents building homes in the Wildland-Urban Interface (WUI) creating greater risk of property and lives lost in wildland fires
 - The changing customer expectations for the work we are mandated to do
 - An increased need to educate new residents of the management requirements on endowment and public lands
- Competition for Skilled Labor
 - An increased cost of housing makes talent recruitment difficult
 - Additional shortages of contractors including those that work for our timber purchasers such as log truck drivers
- New initiatives, programs or mandates that increase our workload and create gaps in our expertise
- Changing public priorities that can lead to significant policy shifts in a short time
- World events that create economic challenges such as rising inflation, economic stagnation, or periods of recession

Our Foundational Goals: 2023 - 2026

Under the direction of the Land Board, IDL is primarily concerned with meeting our constitutional mandate to manage state endowment trust lands in Idaho "in such a manner as will secure the

maximum long-term financial return" to the beneficiary institutions. Further, IDL also (1.) administers Idaho's public trust lands – the lands beneath the beds of Idaho's navigable lakes and rivers for the benefit of all Idahoans, (2.) ensures protection of water quality and other resources by overseeing forest and mining practices, (3.) remediates abandoned mine lands, and (4.) provides service and assistance to Idahoans through forestry and fire management programs. The following fundamental goals place front and center the required tenacity to meet our obligations.

Foundational Goal 1 – Financial Stewardship

Fulfill the Land Board's fiduciary duty by maximizing long term financial returns from the endowment lands and through prudent management of state funds and resources.

- Task 1 – Proactively monitor and take appropriate action to impact our ROI on state endowment land in line with Land Board direction.
- Task 2 – Meet our sustainable timber sales goals in accordance with the annual Forest Asset Management Plan.
- Task 3 – Manage our spending through regular communications, reporting and analysis.
- Task 4 – Explore, analyze and (where appropriate) introduce new income streams to the leasing programs.
- Task 5 – Ensure all financial audits are passed without impunity.
- Task 6 – Contain 94% of wildfires to 10 acres.

Foundational Goal 2 – Customer Focus: Deliver programs with professionalism and integrity, providing exemplary service to external and internal customers.

- Task 1 – Produce a variety of educational materials to help the citizenry legally and safely utilize the lands we manage and protect.
- Task 2 – Proudly reaffirm the endowment mission and continue to support the beneficiaries.
- Task 3 – Where appropriate, engage with the potentially affected customers to ensure quality and transparency of our actions.

Foundational Goal 3 – People: Develop a well-trained, high performing workforce focused on carrying out IDL's mission.

- Task 1 – Ensure we prioritize and fully support employment development from onboarding to professional expertise.
- Task 2 – Grow leaders and reinforce our culture of career long learning and advancement.

Foundational Goal 4 – Process: Implement policies and procedures using integrated systems that support effective and informed decision making.

- Task 1 – Integrate and improve business processes with secure technology systems and infrastructure.
- Task 2 – Establish and update governance, policies, and procedures to direct agency operations.

Our Stretch Goals: 2023 - 2026

Idaho is changing and we anticipate that the state will continue to evolve in both predictable and unpredictable ways. An expanding population creates more impacts in the wildland-urban interface (WUI), changing expectations around land uses and a general increase in the need for our services. Changing weather patterns and political demographics may also continue to impact our work. The Department recognizes that it must be sure-footed but ready to pivot and evolve as needs change.

In addition to our core fundamental goals, IDL leadership seeks to focus on several objectives during the next 4 years that we believe will help prepare us for success in the future. The objectives may evolve over time but will continue to focus on preparing for the future. The objectives are:

Future-Proofing Goal 1 - Classification & Compensation: Intentionally monitor the equity of our pay and benefits to ensure we are utilizing our PC appropriation to hire, develop and retain the right people in the right positions most effectively.

- Task 1 – Create a 5-year employee compensation plan to include the establishment of a compensation committee, class benchmarks, long-term goals for hiring rates, a communication plan, and a CEC implementation plan in line with SCO/DHR guidelines.
- Task 2 – Analyze the use of temporary and permanent staffing levels across IDL programs. Develop and implement guidelines for ensuring appropriate staffing levels.
- Task 3 – Evaluate flexible workplace options including telecommuting, flex schedules and office hours to determine feasibility for implementation for our staff.
- Task 4 – Thoroughly investigate state provided and other potential employee benefits to determine current utilization. Structure a communication plan to improve marketing of benefits to employees and to help them realize the value of our generous benefit plans.

Future-Proofing Goal 2 – Office Facilities: Ensure we are proactively planning to maintain our offices throughout the state.

- Task 1 – Develop a prioritized list of recommended structure replacements or major expansion/remodel projects of IDL facilities.
- Task 2 – Prioritize structure replacements or major remodels and indicate what fiscal year that each structure could realistically be replaced. Note offices that may benefit from relocation.
- Task 3 – Define the primary, secondary and aesthetic expectations for our future structures to provide uniformity and to be financially responsible.
- Task 4 – Contract for a study to determine cost of replacement or alterations to our 1st priority.
- Task 5 – Provide the Land Board with an analysis of facility needs to date.
- Task 6 – Continue to implement the prioritized plan and continue forward planning for the upcoming needs.

Future-Proofing Goal 3 – Seasonal Housing Facilities: Ensure we understand and meet the needs of temporary staff who must have affordable housing options in remote areas of Idaho.

- Task 1 - Examine and update previously collected information about temporary housing needs at each area location.

- Task 2 - Meet with other agencies who may have similar needs and determine if costs could be shared.
- Task 3 – Explore options for new structure types that could potentially serve the workforce (e.g., mobile homes, prefab bunkhouse, etc.) considering feasibility for our sites, cost, pros/cons, lifespan of structure, durability, build time, etc.
- Task 4 – Meet with DPW to determine what we could do internally with our own funding and what role they would play.
- Task 5 – Prepare a prioritized list of needs from most to least urgent and document the best potential solution for each area.
- Task 6 – Pilot a new structure on the highest priority that could benefit from one such as a bunkhouse installation. Evaluate pilot project success and recommend changes as required.
- Task 7 – Establish an annual budget to implement temporary housing solutions. Begin implementation of additional housing units at sites where that was a prioritized solution to the extent allowed by budget.
- Task 8 - Follow a maintenance schedule for structures.

Future-Proofing Goal 4 – Fire: Monitor, understand and respond to changes that are happening in wildland fire organizations across the country due to longer & hotter seasons, fewer firefighters entering the career field, lagging wages and more citizens residing in the WUI.

- Task 1 – Resolve fire boundary and coverage responsibility issues with federal partners that fairly outlines and assigns obligations and responsibilities.
- Task 2 - Create a comprehensive strategic plan within the IDL fire program to include a vision, mission, goals, factual current status data and future-state scenarios that must be met to ensure capacity to protect Idaho's natural resources. Prioritize work needed to close the gap.
- Task 3 – Create a comprehensive plan for fire prevention including natural resource management tactics, education, and prevention messaging.
- Task 4– Continue to expand the department's ability to compete for and employ professional firefighters through pay, benefits, housing, and developmental opportunities.
- Task 5 – Draft and execute the Leader's Intent.

Future-Proofing Goals 5 - Fund Integrity: Ensure our dedicated fund dollars are put to work in the programs for which they are intended and that overhead activities are funded proportionately with the correct programmatic mix.

- Task 1 – Collect data from IDL financial systems and develop an understanding of the existing fund sources supporting the agency. Determine if the current funding structure is congruous with our programmatic responsibilities.
- Task 2 – Develop objectives that support recalibrating the funds sources to be more representative of the program services.
- Task 3 – Create a method to intentionally monitor progress and lapses; correct errors within the department's appropriated funding.

Future-Proofing Goal 6 - Policy & Procedure: Update and organize the many policies and procedures that inform our daily work while ensuring governance is clearly established and authority is delegated where appropriate.

- Task 1 - Establish a framework for developing, managing, and communicating policies and procedures that fulfill Land Board directives.
- Task 2 - Crosswalk existing directives in multiple formats (e.g., Land Board memos, minutes, governance delineations) into existing or new policy.
- Task 3 - Establish a schedule to review policy on a recurring basis and hold staff accountable to update policy as needed.



STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Consent Agenda

Subject

State Participation as a Member of Timber Protective Associations

Question Presented

Shall the Board authorize state participation as a member of the Clearwater-Potlatch Timber Protective Association (CPTPA) and Southern Idaho Timber Protective Association (SITPA)?

Background

Title 38, Chapter 1, Idaho Code – Idaho Forestry Act

Discussion

Section 38-104, Idaho Code, requires that prior to continued state participation as a member, the Director of the Department of Lands shall annually review each timber protective association for the following:

- a. The governing and managing structure;
- b. The condition of equipment and its proposed use;
- c. The adequacy of liability insurance; and
- d. The training of personnel.

Readiness reviews of the above items were conducted at CPTPA on June 8, 2022 and SITPA on June 16, 2022. No deficiencies were found during the readiness reviews and the Department has determined that both timber protective associations are able to perform their duties in a manner that justifies continued state participation.

Recommendation

Authorize state participation as a member of the Clearwater-Potlatch Timber Protective Association and Southern Idaho Timber Protective Association.

Board Action

STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Consent Agenda

Subject

Deficiency Warrant Authority for Fire Suppression Costs in Fiscal Year 2023.

Question Presented

Shall the Board authorize issuance of deficiency warrants to pay fire suppression costs in FY2023?

Background

Title 38, Chapter 1, Idaho Code – Idaho Forestry Act.

Discussion

Section 38-131, Idaho Code states: *"In the event the actual cost for control or suppression of forest fires in any forest protective district exceeds in any one (1) year the maximum moneys available for forest protection in that district from the general fund provided for that purpose, the State Board of Land Commissioners may authorize the issuance of deficiency warrants for the purpose of defraying such excess costs and when so authorized the state controller shall, after notice to the state treasurer, draw deficiency warrants against the general fund."*

Annual fire suppression costs for the State of Idaho are impossible to predict; as a budgetary placeholder, the legislature includes a minimal suppression appropriation each year in the Department's budget. Actual costs will exceed the appropriation before the fire season is over. The Department will provide monthly fire suppression expense updates to the Land Board throughout the 2022 fire season.

Recommendation

Authorize issuance of deficiency warrants to pay the fire suppression costs in FY2023.

Board Action



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D. Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

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

Draft Minutes

State Board of Land Commissioners Regular Meeting

April 19, 2022

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, April 19, 2022 at the Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 West Jefferson, Boise, Idaho, and via webinar. The meeting began at 9:03 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

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

For the record, all Land Board members were in attendance. Four Land Board members were present at the physical location, and Superintendent Ybarra joined via Zoom webinar.

Director Miller recognized a number of Department employees, from multiple area offices around the state, who were in Boise participating in an onboarding event. Director Miller asked them all to stand and thanked everyone for being here. Director Miller remarked that these employees, representing numerous disciplines, do a phenomenal job for the Department.

[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 – March 2022

Discussion:

Attorney General Wasden: On the map, Clear Creek salvage ton sale. Where are they transporting those logs? Where is the mill?

Governor Little: Is that Bald Mountain?

Director Miller: Governor, General Wasden, yes that is just south of Bald Mountain. It is one parcel that we have some insect and disease issues we are trying to clean up. I am not sure where those logs will be transported.

Jim Elbin: It has not sold yet.

Attorney General Wasden: So, they are not being transported; in other words, they are still standing and falling down. Thank you.

B. Leases and Permits – March 2022

Discussion: None.

Status Updates

C. Legislative Summary – Final

Discussion:

Attorney General Wasden: I want to thank the Department for carrying that matter forward [HB588] and Governor, thank you for supporting that and signing the bill; I really appreciate it.

D. Land Bank Fund

Discussion: None.

For the record, Director Miller provided a brief overview of how the Department is preparing for the upcoming fire season acknowledging that this item is not in the Land Board members' binders.

Discussion:

Director Miller: Governor and Land Board members this is not in your binder, but given the recent request from the Governor, I wanted to provide you with a brief overview of how we are preparing for fire season. As customary in the spring, we brought together our IDL leadership, fire managers, and line officers for our spring fire meeting in Coeur d'Alene earlier this month. At this meeting we covered a variety of topics, everything from the FY23 line item implementation to communications, fire investigations, operations, and many other items. Currently our fire staff are busy either taking or teaching fire and fire line leadership courses, training, and completing hiring for seasonal fire positions. Many are involved in the multitude of geographic area meetings as well. Our returning seasonal firefighters are starting work again, and our fire refresher courses and pack tests have been scheduled to take place in many locations next month. Our fire staff are excited about the future of IDL fire and are ready to make us proud again this fire season. In June, the Department will provide you with our fire season outlook and additional details about our fire preparedness moving into the fire season.

Real quick, Governor, just an update on the FY23 line item implementation. The engine bosses, those 10 positions hired at 0.83 FTE each, will be advertised in the coming weeks. Fire business system – fire bureau and IT staff will meet with our procurement staff to initiate the acquisition, and timing must be coordinated between the vendor, IDL fire business staff, and IDL IT staff.

Seasonal firefighter pay increase – seasonal firefighter hiring is in process. All new hires are being brought in at a minimum of \$15 an hour and higher depending on qualifications and experience as provided through increased appropriations. This puts us on more of a level *paying* field with what the federal agencies are providing their firefighters. The fire management officers, those are two FTPs, we will begin advertising and filling those positions in the fall of 2022. We anticipate strong interest from our pool of qualified fire wardens, and we want to avoid creating vacancies within our forest protective districts immediately prior to or during the 2022 fire season. The North Idaho booster crew, we are in the process of hiring seasonal crew members. The current plan is to locate the crew out of the Pend Oreille District which is in the Sandpoint/Bonnars Ferry area, and we will hire six to eight seasonal staff.

Controller Woolf: Director, how has the recruitment and retention been for all these wildland firefighters for the Department, and how does the outcome look going forward into the season?

Director Miller: Controller Woolf, hopefully it is improving now thanks to your help and the help of the legislature. We have seen with our seasonal staff about a 40% turnover year after year given the multitude of challenges that we discussed throughout the course of our budget discussions during the legislative session. We have heard through the grapevine that many of our firefighters, our seasonal staff, are coming back because of what we are able to offer – the increase in pay, the paid rest and recuperation policy that we have in place now that allows our firefighters to have two paid days off, after a 14-day roll, as long as they do not fall on their normal days off. That is consistent with the federal agencies. Then the wildland firefighter hazard pay, that 25% premium on top of their hourly rate when they are on the fire line or active helibase. Those are all things that are going to play in our favor with regard to recruitment. Certainly, there are other places where you can make more than \$15 an hour and not have to dig fire line for 16 hours or sleep in the dirt or eat MREs. We are seeing that a lot of folks are not as interested in taking fire jobs as they were 10, 15, 20 years ago. Recruitment is a little challenging, but it is no different than the BLM or Forest Service right now so we will keep after it. These things that you helped us with in the budget are going to make us more attractive for people to either stick around and keep fighting fire for us or come to us as a brand new firefighter.

Governor Little: Director Miller, I know you are procuring helicopters and airplanes. For personnel do you have a number and expectation about staffing level, because the fire season is going to start here in about 40 or 50 days, and they have to go through that onboarding. I think that is what Controller Woolf was getting to; how close are we to that number?

Director Miller: I know we push our recruiting very strongly in the wintertime and try to have our ranks filled early in the spring. I will turn it over to Craig to see if he has some additional details.

Craig Foss: Thank you Director, Governor, members of the Land Board. I do not have specific numbers, but we can get you the specific numbers. My understanding is it depends on geographic area; we have some areas that historically are really difficult to fill. I am not hearing any concerns in terms of us not being able to staff the crews that we need to put on board, but I can get you the specific numbers.

Governor Little: What happens if we do not have firefighters?

Mr. Foss: That is a conversation we are having internally, working to expand our non-fire staff recruitment because that is a problem all across the country, both in the federal agencies as well as state.

Governor Little: I think both Controller Woolf and I are interested in the fire readiness dashboard and where we are.

Mr. Foss: When we come before you in June, we will have the map of Idaho and outline where all of our resources are located, our helicopters and single-engine air tankers and our FireBosSES, but also all of our staff and our crews. We will have those specific numbers. In the meantime, we can get you a number with regard to where we currently are with our recruitment.

Director Miller: There are a few permanent staff in the agency that are red-carded. We encourage our non-fire staff to participate, Governor, and we do not have a problem getting our non-fire staff involved in fire. Folks really step up when we ask them to.

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 March U.S. employment report reflected the addition of 431,000 non-farm jobs which pushed the unemployment rate down by 0.2% to 3.6%. This strong labor market has allowed the Federal Reserve to telegraph its plans to increase interest rates and reduce its balance sheet to begin the important fight against inflation. The Federal Reserve increased the federal funds rate by 0.25% in March and many anticipate they will increase the rate by 0.5% when they meet again on May 4th. Financial markets currently anticipate that the Federal Reserve will increase rates to 3-3.25% by mid to late 2023. If they are successful, and that is a challenge in getting inflation under control, they will bring the rate down after that to 2.25-2.4% which they are calling the neutral rate. Even though they have only increased rates one time by 0.25%, the bond market has already reflected those increases, and bonds have performed poorly as yields have moved up in anticipation of aggressive Federal Reserve tightening. For example, the 10-year treasury yield now is at 2.92% and the short-term rates are similarly as high. In fact, during the month of March, the yield curve was inverted meaning the yield on shorter term treasuries is higher than the yield on longer term treasuries. That is often an indication of a future recession, not necessarily set in stone, but typically it foreshadows a recession in 18-24 months. Many are concerned that the Federal Reserve's effort to fight inflation could result in slowing the economy and moving us into a recession. They have to act, but if they push rates too quickly it will slow things down and we will move into a recession.

Fortunately, equity markets did recover some of the losses we had during the quarter late in the month of March despite the challenges and the ongoing war in Ukraine. We were up 0.3% for the month, down 1.5% fiscal year-to-date; through yesterday we were down 4.2% so the markets remained under pressure. These concerns about possibly having a recession have really weighed on the market. In terms of our earnings reserves, at the end of March the beneficiary reserves ranged from 6.4 years of distributions to 7.4 years; we were in solid shape. Just to give you some

sensitivity to how that moves, based on yesterday's number of -4.2%, the earnings reserves range from 6.2 years to 7.1 years; we are still in a strong position. Typically, as Director Miller indicated earlier, revenue from Lands comes down somewhat in the last quarter of the fiscal year. We may have some pressure from that on earnings reserves late in the fiscal year. But overall, we are in a healthy position. In terms of upcoming meetings, we have our Land Board Audit Committee meeting today to begin planning for fiscal year end of the audit.

Consent—Action Item(s)

3. Approval of Draft Minutes – March 15, 2022 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)

4. Negotiated Rulemaking IDAPA 20.01.01, Rules of Practice and Procedure Before the State Board of Land Commissioners – Presented by Scott Phillips, Policy and Communications Chief

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.01.01 *Rules of Practice and Procedure Before the State Board of Land Commissioners*.

Discussion:

Attorney General Wasden: Thank you for the explanation on HB629. I am asking that you pay particular attention and inform us as to whether there will be a conflict or whether there will be a need to just dissipate pursuing these rules depending on the outcome of that statute.

Scott Phillips: We will definitely do that sir.

Board Action: A motion was made by Attorney General Wasden that the Land Board authorize the Department to initiate negotiated rulemaking for IDAPA 20.01.01 *Rules of Practice and Procedure Before the State Board of Land Commissioners*. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

5. FY2023 Timber Sales Plan – Presented by David Greenwood, Bureau Chief-Forest Management

Recommendation: Direct the Department to proceed with implementation of the FY23 Timber Sales Plan.

Discussion:

Controller Woolf: Thank you Mr. Elbin for that update. We have talked about this being the 4-year plan and we have gone from 247 MMBF up to this 326 MMBF in the future. Last year, and all of the previous years, we had a lot of salvage. What type of impact do salvage sales have, especially on that Benton Butte area where we have a large number of sales? What does that do to this fiscal year 23 timber sales plan? Do you have to adjust? Walk through that with us briefly.

Mr. Elbin: Governor, members of the Land Board, Controller Woolf, last year if you recall there was some concern from industry that we would far exceed our normal sales plan. Since all of that happened fairly early in the fiscal year for us, we decided and replaced our green sales with that salvage wood. I believe that was around 80 million in salvage, we replaced 80 million board feet of green sales. Those have been carried forward to this year. Long term, we are definitely going to be looking into that. When you look at Benton Butte, which was very mature, large timber, converting that back to faster growing will be a major consideration going forward with our new plan; how productive are those sites and how quickly can we get them regenerated. We treated so much so fast there, my estimate is we will not be back in that area for 40 to 80 years, but the increased growth that we are going to see there is actually a benefit long term for our sales plan.

Controller Woolf: Thank you, Jim. The 80 million in that example, do we include that in future years, like in fiscal year 24, or do we just keep where we are and maintain our plan as is.

Mr. Elbin: We would maintain the plan. Since we replaced that sales plan volume with the salvage, we will move forward as planned before, if that makes sense.

Board Action: A motion was made by Attorney General Wasden that the Land Board direct the Department to proceed with implementation of the FY23 Timber Sales Plan. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

Information

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

6. 2023 Grazing Lease Rate – Presented by Jason Laney, Section Manager-Real Estate Services/Leasing

Executive Session

None

There being no further business before the Land Board, at 9:36 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.

STATE BOARD OF LAND COMMISSIONERS

June 21, 2022

Regular Agenda

Subject

Affirm the decision to dispose of Cougar Island at public auction

Question Presented

Shall the Land Board authorize the Department to dispose of Cougar Island at public auction?

Background

In February 2010, the State Board of Land Commissioners (Land Board) directed the Idaho Department of Lands (Department) to unify the 523 cottage site split estates. Thereafter, the Department created a Lot Solutions Team (Team) to address the need for formal access, accurate easements, and subdivision platting associated with the cottage sites. As part of the Team's efforts, the Department created five legal parcels on Cougar Island (Attachment 1); one parcel was leased at the time and continues to be leased.

At the July 17, 2018 Land Board regular meeting (2018 Meeting), the Land Board approved the Voluntary Auction for Ownership (VAFO) 2024 Plan (Attachment 2), continuing yearly VAFO cycles through 2024 provided sufficient interest in each instance and depending upon market conditions. This plan provided additional time for lessees not well situated to participate in previous VAFO cycles and offered the same parties an additional opportunity to participate in future VAFO cycles. During the 2018 Meeting, the Land Board also approved the disposition of 14 vacant lots at Payette Lake, including four at Cougar Island.

At the March 16, 2021 Land Board regular meeting (2021 Meeting), the Land Board adopted the Payette Endowment Lands Strategy (PELS) (Attachment 3) as a management plan for endowment trust land within McCall's Area of Impact (Area of Impact) over the next 20 years with a focus on transitional lands that are underperforming assets for the endowments.

The PELS management plan identified both short- and long-term strategies for certain land assets within the Area of Impact. These strategies are classified as Tier I (1-5 years), Tier II (5-10 years), Tier III (10-20 years) and Tier IV (not planned for transition). Properties identified as Tier I typically have a high land value relative to current revenue generation, are platted, annexed within city limits, and have water and sewer capacities. Based on the PELS criteria, Deinhard Commercial, Syringa Park, and Cougar Island are identified as Tier I within the PELS plan.

At the time of the PELS analysis, Cougar Island was generating \$32,440 in leasing revenue. It appraised at \$4,795,000 and had a yearly revenue target of \$191,800, or 4% of the appraised value; the annual revenue gap was \$159,360. The most recent appraisal indicated the market value of the island is \$5,610,000 which creates a yearly revenue target of \$224,400. The existing lease is generating \$33,745, or a 0.6% return based on the appraised value of the island.

Discussion

At the beginning of 2022, the Department had no valid applications for additional leasing on Cougar Island. The only application received was by the current lessee of a single Cougar Island parcel which enabled the lessee to prospectively participate in the 2022 VAFO. Given that Cougar Island is an underperforming asset, is approved for disposition by the Land Board, and is identified as a Tier I property in PELS, the Department is well positioned and planning to bring it to auction as part of the 2022 Payette Lake VAFO.

Idaho Code § 58-313A requires the Department to provide the commissioners of a relevant county or counties with written notice through certified mail regarding the Department and Land Board's intent to sell a particular piece of state land; such commissioners are allowed a 60-day period, beginning upon receipt of said notice and within which they may file an objection to the sale of the endowment land in writing. Pursuant to § 58-313A, the Department sent a letter to the Valley County Commissioners, dated April 20, 2022 (Attachment 4). The Department received a written response from the Valley County Commissioners dated May 9, 2022 (Attachment 5), objecting to the sale of Cougar Island. Idaho Code § 58-313A requires any objections be presented at the next scheduled Land Board hearing for reconsideration.

If the Land Board reaffirms its previous decision to dispose of Cougar Island, the Department plans to work with its third-party advisors to make certain that Cougar Island is brought to auction at the proper time to ensure the maximum return to the endowments.

Recommendation

Reaffirm the Land Board's 2018 decision to dispose of Cougar Island at public auction in Valley or Ada County.

Board Action

Attachments

1. October 31, 2014 Cougar Island Recorded Plat
2. July 17, 2018 Approved Memo: VAFO 2024 Plan
3. March 16, 2021 Approved Memo: PELS Plan
4. April 20, 2022 Department Letter to Valley County
5. May 9, 2022 Opposition Letter from Valley County



STATE SUBDIVISION-COUGAR ISLAND

GOVERNMENT LOT 5, SECTION 22, TOWNSHIP 19 NORTH, RANGE 3 EAST,
BOISE MERIDIAN, VALLEY COUNTY, IDAHO

PLAT BOOK 13 PAGE 17

INST. NO. _____

Instrument # 388200

VALLEY COUNTY, CASADOC, IDAHO

10-31-2014 11:28:32 No. of Pages: 3

Recorded for: STATE OF IDAHO

DOUGLAS A. MILLER

Ex-Officio Recorder Deputy

date of Plat

Kyle S. Soudan



TITLE

WHEN IDAHO BECAME A STATE IN 1890, THE FEDERAL GOVERNMENT ENDOWED (GRANTED) LANDS TO IDAHO ON THE CONDITION THEY PRODUCE MAXIMUM LONG-TERM FINANCIAL RETURNS FOR PUBLIC SCHOOLS AND OTHER BENEFICIARIES. IDAHO NOW HAS OVER 2 MILLION ACRES OF ENDOWMENT LANDS, HELD IN TRUST, PROVIDING FINANCIAL SUPPORT TO PUBLIC SCHOOLS AND OTHER INSTITUTIONS. THE IDAHO DEPARTMENT OF LANDS MANAGES THIS TRUST UNDER THE GOVERNANCE OF THE IDAHO BOARD OF LAND COMMISSIONERS. THE LAND BOARD, ACTING IN THE CAPACITY OF TRUSTEE ON BEHALF OF THE BENEFICIARY SCHOOLS AND OTHER INSTITUTIONS, WAS GIVEN RESPONSIBILITIES UNDER ARTICLE IX, SECTION 8 OF THE IDAHO CONSTITUTION (AS AMENDED) TO MANAGE LANDS IN SUCH A MANNER AS WILL SECURE THE MAXIMUM LONG-TERM FINANCIAL RETURN TO THE INSTITUTION TO WHICH GRANTED. THE LEASING OF ENDOWMENT TRUST LAND FOR USE AS RECREATIONAL COTTAGE SITES BEGAN IN THE EARLY 1930'S AND HAS CONTINUED SINCE ITS INCEPTION. THE CONFIGURATION OF THE LEASED COTTAGE SITES HAS OCCURRED IN AN ORGANIC NATURE OVER A PERIOD OF APPROXIMATELY 80+ YEARS. DUE TO THE NECESSITY BASED STYLE OF DEVELOPMENT AND THE TIME LINE OF THOSE DEVELOPMENTS, THE EXISTING NEIGHBORHOOD AND APPURTENANCES WOULD NOT LIKELY MEET CURRENT LOCAL (COUNTY) DEVELOPMENT STANDARDS.

ADJACENT ENDOWMENT TRUST LANDS

ENDOWMENT TRUST LANDS ADJACENT TO OR NEAR THIS PROPERTY ARE NOT ENCUMBERED IN ANY MANNER BY THIS STATE PLAT AND MAY BE DISPOSED OF BY SALE AT PUBLIC AUCTION OR BY LAND EXCHANGE, OR THE USE OF THE LAND MAY CHANGE. ENDOWMENT TRUST LANDS ARE NOT MANAGED FOR THE PUBLIC AT LARGE AND SHALL NOT BE CONSIDERED "PUBLIC LANDS" OR "OPEN SPACE," EITHER SPECIFICALLY OR IN A GENERIC SENSE. ENDOWMENT TRUST LANDS ARE WORKING LANDS PRODUCING REVENUE FOR THE BENEFICIARY INSTITUTIONS. THE IDAHO DEPARTMENT OF LANDS SHALL BE CONTACTED WITH ANY QUESTIONS PERTAINING TO THE ENDOWMENT TRUST LANDS.

ENCROACHMENT PERMITS

AN ENCROACHMENT PERMIT FROM IDAHO DEPARTMENT OF LANDS IS REQUIRED FOR AN ENCROACHMENT UPON THE BED OF NAVIGABLE WATERS.

DOMESTIC WATER

THE STATE MAKES NO REPRESENTATION THAT DOMESTIC WATER SERVICE FOR INDIVIDUAL LOTS EXISTS. THE OWNER WILL BE RESPONSIBLE FOR DOMESTIC WATER.

SANITARY SEWER

THE STATE MAKES NO REPRESENTATION THAT SANITARY SEWER SERVICE FOR THE LOTS EXISTS. IF IT EXISTS, IT IS PROVIDED BY SEPTIC SYSTEMS THAT MAY NOT COMPLY WITH APPLICABLE FEDERAL, STATE, AND LOCAL LAWS, RULES AND REGULATIONS. ANY FUTURE MODIFICATIONS AND/OR ADDITIONS TO EXISTING SEPTIC SYSTEMS SHALL COMPLY WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL LAWS, RULES, AND REGULATIONS, AND THE OWNER SHALL PROCURE AT ITS OWN EXPENSE ALL LICENSES AND PERMITS REQUIRED BY SUCH LAWS, RULES, AND REGULATIONS.

SINGLE-FAMILY RESIDENTIAL USE

NO MORE THAN ONE(1) SINGLE-FAMILY DWELLING SHALL BE ALLOWED ON ANY LOT.

MOBILE HOMES

MOBILE HOMES SHALL NOT BE PLACED ON THE PROPERTY.

MANUFACTURED OR MODULAR HOMES

MANUFACTURED OR MODULAR HOMES THAT COMPLY WITH ALL APPLICABLE BUILDING CODES, MEET APPLICABLE SNOW LOAD REQUIREMENTS, AND ARE INSTALLED ON A PERMANENT FOUNDATION SHALL BE ALLOWED.

FIRE HAZARDS

LOTS SHALL BE MAINTAINED TO REDUCE FIRE HAZARDS BY THE ELIMINATION OF FINE FUELS AND DEAD MATERIAL ON THE LOT TO PROVIDE A NATURAL BUT MANAGED APPEARANCE.

COMMON AREA/ROAD MAINTENANCE, CONSTRUCTION AND REPAIR

INDIVIDUAL LOT OWNERS OR AN ASSOCIATION, IF ANY, SHALL BE RESPONSIBLE FOR THE MAINTENANCE, CONSTRUCTION AND REPAIR OF ANY COMMON AREA WITHIN THE PLAT AND/OR MAIN ACCESS ROADS AS DEFINED IN EASEMENTS GRANTED BY STATE. ALL SUCH MAINTENANCE SHALL COMPLY WITH THE REQUIREMENTS OF THE COUNTY AND ANY APPLICABLE GOVERNMENTAL AUTHORITY, INCLUDING THE STATE. THE ASSOCIATION SHALL HAVE NO OBLIGATION TO MAINTAIN ANY LOT OR IMPROVEMENTS ON ANY LOT.

PERMITS REQUIRED

THE STATE MAKES NO REPRESENTATION THAT ANY PERMITS MAY BE OBTAINED FOR THE LOTS OR THAT EXISTING STRUCTURES ARE PERMITTED OR WILL BE PERMITTED. EACH OWNER SHALL COMPLY WITH ALL APPLICATION FEDERAL, STATE, AND LOCAL LAWS, RULES, AND REGULATIONS AND PROCURE AT ITS OWN EXPENSE ALL LICENSES AND PERMITS REQUIRED BY SUCH LAWS, RULES, AND REGULATIONS RELATED TO THE USE OF THE LOTS.

ACCESS

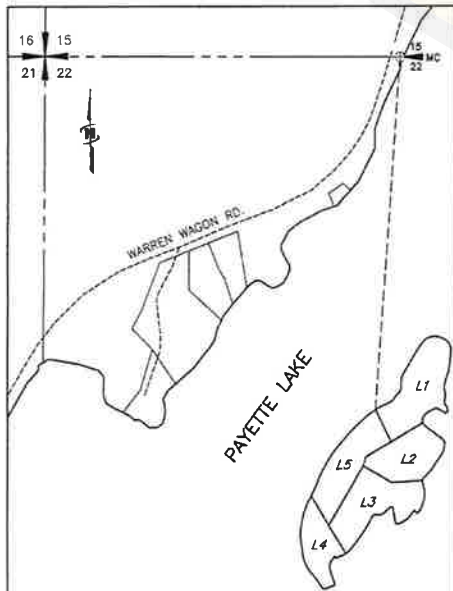
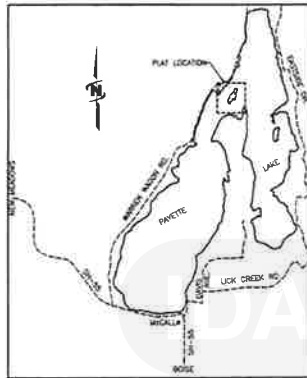
BOAT ACCESS ONLY.

EXISTING UTILITIES

UTILITIES SUCH AS WATER, SEWER (INCLUDING DRAINFIELD LINES, EFFLUENT LINES, SEPTIC TANKS, CLEAN OUTS, ETC.), POWER, TELEPHONE AND GAS ARE INSTALLED AND EXISTING WITHIN THE LOTS SHOWN HEREON. IN SOME CASES, THESE UTILITIES TRAVERSE ACROSS SEVERAL ADJACENT LOTS DUE TO THE CONVENIENCE OF INSTALLATION AND MAINTENANCE. EACH LOT OWNER SHALL HAVE THE RIGHT TO ACCESS AND MAINTAIN THE UTILITIES THAT SERVE THEIR LOT. IT SHALL BE THE RESPONSIBILITY OF THE LOT OWNER(S) PERFORMING THE MAINTENANCE TO RETURN ANY DISTURBED LAND, LANDSCAPING, FENCES, ROADWAYS, ETC. TO THEIR PRE-MAINTENANCE CONDITION. IF AT THE TIME OF MAINTENANCE IT IS MONETARILY EQUITABLE AND REASONABLE TO DO SO, THE UTILITIES SHALL BE RE-ROUTED TO BE CONTAINED WITHIN THE SERVED LOT VIA THE EXISTING EASEMENT OR ALTERNATIVE EASEMENT PROCURED BY THE LOT OWNER.

DISCLAIMER

THE LOTS ARE PLATTED IN AN "AS IS" CONDITION. THE STATE MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE LOTS OR CONCERNING THE SUITABILITY OF THE LOTS FOR THE USES INTENDED BY AN OWNER.



Sandy Russell
Digitally signed on:
Oct 16, 2014



STATE SUBDIVISION-COUGAR ISLAND

GOVERNMENT LOT 5, SECTION 22,
TOWNSHIP 19 NORTH, RANGE 3 EAST,
BOISE MERIDIAN,
VALLEY COUNTY, IDAHO

J-U-B ENGINEERS, Inc.

7825 Meadowlark Way
Coeur d'Alene, Idaho 83815
Phone: 208.762.8767



J-U-B ENGINEERS, INC.

SCALE: NONE

DR. DFG

CH. GJR

SHEET 1 OF 3

DATE: October 2014

PROJ. NO.: 20-11-038

STATE SUBDIVISION-COUGAR ISLAND

GOVERNMENT LOT 5, SECTION 22, TOWNSHIP 19 NORTH, RANGE 3 EAST,
BOISE MERIDIAN, VALLEY COUNTY, IDAHO

PLAT BOOK 13 PAGE 17

INST. NO. _____

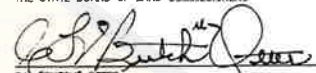
CERTIFICATE OF STATE

BE IT KNOWN BY THESE PRESENTS: THAT THE STATE OF IDAHO, THE RECORD OWNER OF THE REAL PROPERTY SHOWN HEREON, UNDER IS AUTHORITY SET FORTH IN IDAHO CODE HAS CAUSED THE SAME TO BE SURVEYED AND DIVIDED INTO LOTS AND BLOCKS AS PLATTED HEREON, TO BE KNOWN AS STATE SUBDIVISION - COUGAR ISLAND, BEING DESCRIBED AS GOVERNMENT LOT 5, SECTION 22, TOWNSHIP 19 NORTH, RANGE 3 EAST, B.M., VALLEY COUNTY, IDAHO.

IDAHO STATE BOARD OF LAND COMMISSIONERS APPROVAL

IN WITNESS WHEREOF, THE STATE BOARD OF LAND COMMISSIONERS HAS CAUSED THESE PRESENTS TO BE EXECUTED BY ITS PRESIDENT, THE GOVERNOR OF THE STATE OF IDAHO, AND COUNTERSIGNED BY THE SECRETARY OF THE STATE AND THE DIRECTOR, IDAHO DEPARTMENT OF LANDS.

THE STATE BOARD OF LAND COMMISSIONERS


C.L. "BUTCH" OTTER
GOVERNOR OF THE STATE OF IDAHO
PRESIDENT OF THE STATE BOARD OF LAND COMMISSIONERS

COUNTERSIGNED:


BEN YSURSA
SECRETARY OF STATE


THOMAS M. SCHULTZ, JR.
DIRECTOR, IDAHO DEPARTMENT OF LANDS

IDAHO DEPARTMENT OF LANDS

THE STATE OF IDAHO }
COUNTY OF ADA } SS.

ON THIS DAY 30th DAY OF October, 2013, BEFORE ME, A NOTARY PUBLIC IN AND FOR THE STATE, PERSONALLY APPEARED C.L. "BUTCH" OTTER, KNOWN TO ME TO BE THE GOVERNOR OF THE STATE OF IDAHO AND PRESIDENT OF THE STATE BOARD OF LAND COMMISSIONERS; BEN YSURSA, KNOWN TO ME TO BE THE SECRETARY FOR THE STATE OF IDAHO; AND THOMAS M. SCHULTZ, JR., KNOWN TO ME TO BE THE DIRECTOR OF DEPARTMENT OF LANDS OF THE STATE OF IDAHO, THAT EXECUTED THE SAME INSTRUMENT AND ACKNOWLEDGED TO ME THAT SUCH THE STATE OF IDAHO AND THE STATE BOARD OF LAND COMMISSIONERS EXECUTED THE SAME.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND SEAL ON THE DAY AND YEAR WRITTEN ABOVE.


NOTARY PUBLIC FOR IDAHO
RESIDING AT Boise, IDAHO
MY COMMISSION EXPIRES: 12-26-18



VALLEY COUNTY RECORDER

I HEREBY CERTIFY THAT THIS PLAT OF STATE SUBDIVISION-COUGAR ISLAND WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF VALLEY COUNTY, IDAHO AT THE REQUEST OF _____, THIS _____ DAY OF _____, 2013, AT _____ O'CLOCK _____ M., AND DULY RECORDED IN BOOK _____ OF PLATS, AT PAGES _____ AS INSTRUMENT NUMBER _____.

SURVEYOR'S CERTIFICATE

I, JEREMY J. RUSSELL, PROFESSIONAL LAND SURVEYOR NO. 13419 IN THE STATE OF IDAHO, DO HEREBY CERTIFY THAT THIS PLAT OF STATE SUBDIVISION-COUGAR ISLAND IS BASED ON AN ACTUAL FIELD SURVEY MADE BY ME OR UNDER MY SUPERVISION AND ALL CORNERS AND DIMENSIONS ARE CORRECTLY SHOWN AND THAT SAID PLAT IS STAKED ON THE GROUND AS INDICATED HEREON.


Digitally signed on:
Oct 15, 2014



STATE SUBDIVISION-COUGAR ISLAND

GOVERNMENT LOT 5, SECTION 22,
TOWNSHIP 19 NORTH, RANGE 3 EAST,
BOISE MERIDIAN,
VALLEY COUNTY, IDAHO



J-U-B ENGINEERS, Inc.

Corbur of Amana, Idaho 83815
Phone: 208.752.5757

TWID: NAME: 20-11-03K Cougar Island Cover

J-U-B ENGINEERS, INC.

DR. DFG CH. GJR SHEET 2 OF 3

SCALE: NONE

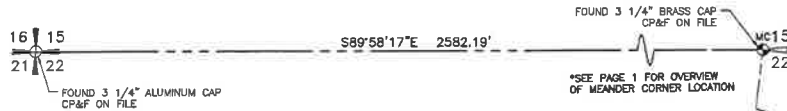
DATE: October 2014

PROJ. NO.: 20-11-036

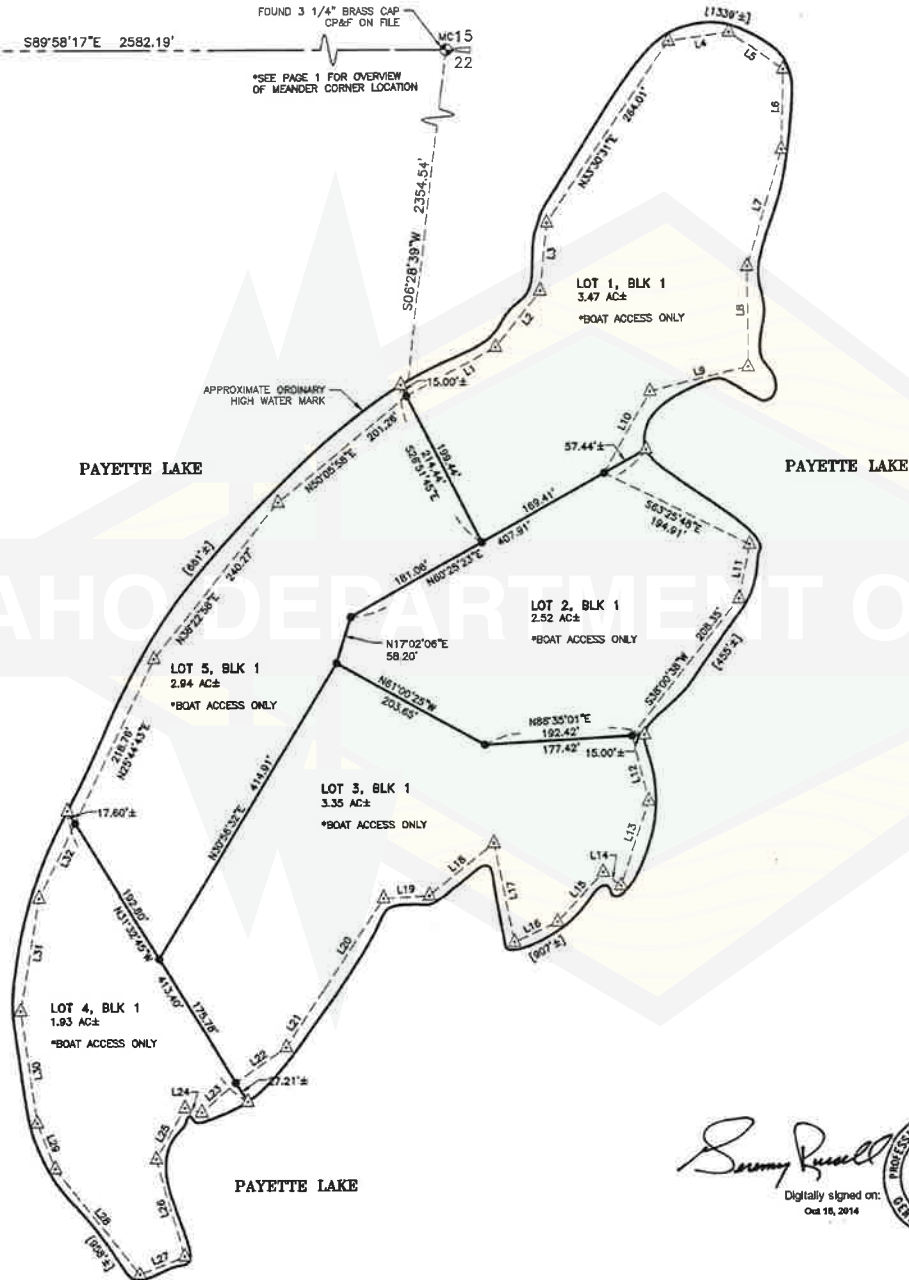
STATE SUBDIVISION-COUGAR ISLAND

GOVERNMENT LOT 5, SECTION 22, TOWNSHIP 19 NORTH, RANGE 3 EAST,
BOISE MERIDIAN, VALLEY COUNTY, IDAHO

PLAT BOOK 13 PAGE 17
INST. NO. _____



LINE #	DIRECTION	LENGTH
L1	N81°10'19"E	121.89'
L2	N38°53'42"E	85.07'
L3	N05°29'34"E	81.10'
L4	N81°28'49"E	73.53'
L5	S54°56'51"E	79.51'
L6	S01°06'29"W	97.53'
L7	S16°16'40"W	145.88'
L8	S00°24'08"E	119.13'
L9	S75°49'14"W	121.09'
L10	S28°54'44"W	113.34'
L11	S10°55'41"W	66.64'
L12	S14°14'17"E	81.23'
L13	S18°02'58"W	107.97'
L14	N52°00'50"W	27.06'
L15	S42°25'42"W	81.40'
L16	S64°38'56"W	57.61'
L17	N11°37'14"W	122.72'
L18	S50°54'15"W	99.40'
L19	S88°40'05"W	55.10'
L20	S32°56'33"W	131.25'
L21	S33°12'46"W	63.75'
L22	S55°13'25"W	73.92'
L23	S49°01'56"W	54.35'
L24	N74°45'18"W	20.97'
L25	S25°16'26"W	70.18'
L26	S16°01'51"E	123.06'
L27	S66°05'19"W	58.21'
L28	N38°14'46"W	154.05'
L29	N21°36'27"W	58.98'
L30	N08°15'58"W	136.09'
L31	N09°14'21"E	136.71'
L32	N25°40'23"E	100.07'



LEGEND AND NOTES

- ⊕ FOUND 3-1/4" ALUMINUM CAP
 - △ CALCULATED POINT, NOTHING FOUND OR SET
 - ⊕ SECTION CORNER-AS NOTED
 - ⊕ FOUND MEANDER CORNER-AS NOTED
 - SET 5/8" X 30" REBAR WITH YELLOW PLASTIC CAP, MARKED "JUB ENGINEERS PLS 13419"
 - CALCULATED LINE OR MATHEMATICAL TIE LINE
 - - - SECTION LINE OR SUBDIVISIONAL LINE
 - [] APPROXIMATE LOT FRONTAGE ALONG ORDINARY HIGH WATER MARK
 - P.O.B. POINT OF BEGINNING
- NOTE: THE LAKESIDE BOUNDARY OF THE WATERFRONT LOTS IS THE ORDINARY HIGH WATER MARK (OHWM) OF PAYETTE LAKE, WHICH IS SHOWN APPROXIMATELY HEREON. THE LOT ACREAGES AND FRONTAGES ARE CALCULATED AND SHOWN TO THE APPROXIMATE OHWM.

Sammy Russell
Digitally signed on:
Oct 16, 2014



STATE SUBDIVISION-COUGAR ISLAND

GOVERNMENT LOT 5, SECTION 22,
TOWNSHIP 19 NORTH, RANGE 3 EAST,
BOISE MERIDIAN,
VALLEY COUNTY, IDAHO



J-U-B ENGINEERS, Inc.
7825 Meadowsark Way
Coeur d'Alene, Idaho 83815
Phone: 208.762.8787

DWG NAME: 20-11-038_Cougar Island
DR. DFG CH. DRB/GJR SHEET 3 OF 3
SCALE: 1"=100' DATE: October 2014 PROJ. NO.: 20-11-038

STATE BOARD OF LAND COMMISSIONERS

July 17, 2018
Regular Agenda

SUBJECT

Cottage Site VAFO 2024

BACKGROUND

In February 2010, the State Board of Land Commissioners (Land Board) directed the Idaho Department of Lands (Department) to unify the 523 cottage site split estates. Thereafter, the Land Board directed the Department to address the need for formal access, accurate easements, and subdivision platting associated with the cottage sites (Lot Solutions).

In October 2014, the Land Board approved a 3-Year voluntary auction for ownership (VAFO) Plan for the sale of 60 sites per year in 2015, 2016, and 2017. The yearly lots offered for sale were determined through a random lottery selection process for interested lessees. Interest in the 3-Year VAFO Plan exceeded the predetermined 180-lot capacity and the excess sites were given an alternate position number.

In February 2016, the Land Board approved the 4-Year VAFO Plan that provided every lessee an opportunity to participate in a VAFO by the end of 2019 (Attachment 1). The 4-Year VAFO Plan utilized the same random lottery selection positions created for the 3-Year Plan to fill years 2016 through 2018. Any lessee that did not participate in the lottery selection process is allowed to participate in the 2019 VAFO cycle.

Since 2011, VAFO auctions have resulted in the transition of 342 cottage site lots to private ownership (140 lots at Payette Lake and 202 lots at Priest Lake) for a total of \$152,584,545 to the endowments.

After the 2018 VAFO cycle concludes, an estimated 395 or 76% of the original 523 cottage site lots will have been sold. The chart below illustrates the success of the VAFO process through the 2018 cycles.

Remaining Leased Cottage Site Lots After 2018 Auction Cycles							
	Starting # of Cottage Site Lots	# of Lots Sold	Current # of Lots	2018 VAFO / ULA	Estimated Lots After 2018	Un-Leased Lots After 2018	Leased Lots After 2018
Payette Lake Cottage Sites	168	140	28	2	26	0	26
Priest Lake Cottage Sites	355	202	153	51	102	8	94
Payette & Priest Lake Cottage Sites	523	342	181	53	128	8	120

The remaining 128 cottage site lots consist of 8 unleased and 94 leased Priest Lake lots and 26 leased Payette Lake lots. Lessees of the 120 leased lots did not participate in the VAFO selection process or opted out of a previously assigned VAFO cycle.

In December 2017, the Land Board approved the 2018 Cottage Site Leasing Plan to allow leases to be offered through 2024. The Plan provides additional time for lessees that were not in a position to take part in a previous VAFO to participate in a future VAFO cycle.

DISCUSSION

VAFO 2024 Plan

To gauge interest in future VAFO cycles, the Department conducted a survey of the remaining cottage site lessees. Of the 73 lessees that responded, 61 indicated an interest in participating, while 12 lessees indicated they were not interested in participating in a future VAFO cycle (Attachment 2).

The Department seeks approval to continue to offer VAFO cycles through 2024 based on the level of interest and market conditions.

Under the proposed VAFO 2024 Plan, the process will remain essentially the same as the previously approved 4-Year Plan:

1. Pre-application meeting;
2. Application;
3. Appraisal and Title Work;
4. Auction Administration Agreements;
5. Legal Notice and Marketing; and
6. Auction and Close of Escrow.

To be eligible to participate in a VAFO cycle, a lessee must meet the following criteria (the first three of which remain unchanged from prior VAFO cycles):

1. Be in good standing and not otherwise indebted to the state of Idaho;
2. Not be named in litigation against the Land Board;
3. Not have a conflicted lease; and
4. Either:
 - a. Have no mortgage or deed of trust (collectively, "DOT") on the cottage site lease or on lessee's Personal Property located on the land; or
 - b. Require the lender of an approved, preexisting DOT to execute a release or reconveyance of the DOT to be held in escrow, to be effective upon closing to a third party purchaser at auction upon payment of the appraised value of the Personal Property; or
 - c. Have an approved, preexisting DOT, not in default, with an unpaid principal balance owing in an amount not exceeding 75% of the appraised value of the Personal Property, and with the non-default status and remaining balance owing confirmed in writing by the lender.

New Residential Lots

Through the original Lot Solutions process, fourteen lots were created in the Cove Replat and Cougar Island Subdivisions at Payette Lake. Nine new residential lots were created in the Cove Replat Subdivision by bisecting nine leased lakefront cottage site lots. Cougar Island was platted into five lots, only one of which is leased (Attachment 3). The previous disposition plans have been limited to the historically leased cottage sites and have not included these new residential lots.

Similar to the inclusion of cottage sites that are no longer leased, new lots do not have a lessee legacy effect. Offering new lots will likely generate additional interest and bidding at the auctions, especially when offered in the same cycle as adjacent leased lots.

The Department will include these new residential lots in auctions when prudent, based on interest and broker recommendation. Auctioning of residential lots will follow the Unleased Lands Auction (ULA) process.

Auction Locations

The sale of all state lands must be in Ada County unless otherwise approved by the Land Board (Idaho Code § 58-314). For both lessees and other potential purchasers, the city of Coeur d'Alene, in Kootenai County, is the most convenient location for the auction of lots at Priest Lake. The Department is seeking approval to continue to auction cottage sites in Ada, Bonner, Kootenai, or Valley Counties as needed and deemed appropriate for each lot.

Outreach and Stakeholder Engagement

On April 13, 2018, the Department provided copies of the proposed VAFO 2024 Plan to representatives of the Payette Lake Cottage Site Owners Association, the Cove Association, and the Priest Lake Cottage Site Owners Association (PLCOA). The Department then met with the PLCOA board and discussed the proposal on April 23, 2018. Attachment 4 is the PLCOA letter of support.

On April 13, 2018, the Department provided copies of the proposed VAFO 2024 Plan to the Bonner County and the Valley County Commissioners. On May 10, 2018, Department staff presented the proposal to the Bonner County Commissioners at their regularly scheduled meeting. A letter from the Bonner County Commissioners is included (Attachment 5).

On May 14, 2018, Department staff presented the proposal to the Valley County Commissioners at their regularly scheduled meeting. The Valley County Commissioners did not provide comment on the proposal.

RECOMMENDATION

Approve the Department's proposed Cottage Site Voluntary Auction for Ownership (VAFO) 2024 Plan, approve the auctioning of the new residential lots at Payette Lake, and approve the auctioning of future lots in locations appropriate for each site to include Ada, Bonner, Kootenai, or Valley Counties.

BOARD ACTION

A motion was made by Attorney General Wasden that the Board adopt and approve the Department recommendation that is to approve the Department's proposed Cottage Site Voluntary Auction for Ownership 2024 Plan, and include the auctioning of new residential lots at Payette Lake, and approve the auctioning of future lots in locations appropriate for each site to include Ada, Bonner, Kootenai or Valley counties. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

ATTACHMENTS

1. February 16, 2016 Approved Memo
2. VAFO Past and Future
3. New Lot Maps
4. PLCOA Letter of Support
5. Bonner County Commissioners' Letter



IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

March 16, 2021

Regular Agenda

Subject

Payette Endowment Lands Strategy – Written Plan Approval and Next Steps

Question Presented

Shall the Land Board approve the Payette Endowment Lands Strategy?

Background

At the State Board of Land Commissioners' (Land Board) regular meeting on June 16, 2020, the Idaho Department of Lands (Department) was directed to prepare a plan for the management of endowment lands in the vicinity of the City of McCall in Valley County, Idaho. At the December 15, 2020 Land Board meeting, the Department presented a written draft of the Payette Endowment Land Strategy (PELS). In that presentation, the Department explained that it would provide time for public comment, including the formation of a focus group to review and provide comments on the PELS itself.

The PELS is a management strategy for approximately 5,500 acres of endowment land within the City of McCall's Area of Impact ("AOI"). The PELS outlines the Department's strategy for managing endowment trust land within the AOI over the next 20 years. Unless directed otherwise, the remainder of the endowment trust land in Valley County lying outside the AOI will be managed through other policies adopted by the Land Board including the Forest Asset Management Plan, Statement of Investment Policy, Strategic Reinvestment Plan, and Asset Management Plan.

The PELS seeks to guide land management decisions within the AOI as growth patterns influence the Department's ability to implement traditional land management and take advantage of opportunities for higher revenue generation. The PELS explores strategies across short, mid, and long-term timeframes on certain properties located within the AOI. Specifically, the PELS examines approaches to transition endowment lands to higher and better uses where land values are significantly higher than traditional asset classifications, and revenue generation is either not commensurate with values or is impaired by surrounding urbanized uses.

The PELS is intended to be an adaptive management plan that will be reviewed and updated as community development, land use patterns, and market trends develop over time. The PELS will also be evaluated for alignment and consistency with Land Board direction, as necessary.

Since the December 2020 presentation, the Department has updated the PELS (Attachment 1) based on technical feedback from the City of McCall and included an appendix that provides a history on the parcels within the AOI.

Discussion

Comment Period:

The Department afforded time for public comment and completed the focus group meetings. Additionally, a webpage on the Department website provided the PELS, the PELS presentation, opportunity for comment, links to the focus group meetings, focus group agendas, comments, and other Department information (Attachment 2).

The Department virtually hosted three 3-hour focus group meetings (Attachment 3). In attendance at each meeting was Department staff, including the Director and Deputy Director, Office of the Attorney General staff, and Land Board staff. Each focus group meeting was broadcast to allow for public viewing by others outside of the focus group.

Aside from discussion and remarks during the focus group, the Department received over 600 written comments (Attachment 4). The following are common observations:

- General appreciation of opening the process and plan up for public involvement.
- The Land Board should slow down and not rush the process.
- Advisory groups should be assembled to review applications and plans specific to each parcel.
- Explore new asset classes that include conservation and recreation.
- Explore recreation opportunities.
- Extend the moratorium.
- Consider conservation easements.
- Consider other strategies beyond disposal.
- Consider the environmental impact of disposal.
- Do not just focus on the cash yield but look at appreciation.
- Coordinate with citizens and the community regarding adequate time for development of a community strategy that meets the constitutional obligations.

Additionally, the Department received comments from the Payette Lakes Recreational Water and Sewer District regarding density and capacity limits that should be considered in the PELS. Valley County provided feedback including slowing the process down, allowing time to investigate conservation easements, shifting thinking from economic to recreation-dependent, and granting access easements on endowment lands that are disposed. The City of McCall emphasized the need to consider drinking water as part of the plan, prioritize the "State 80" for entry- to mid-level priced housing, use conservation easements to protect sensitive parcels, and continue to provide stakeholder engagement throughout the process. The City of McCall also provided technical comments regarding some of the parcels identified in the PELS.

Next Steps:

The Department has received applications for endowment lands within the PELS. It has notified the applicants that it would not begin reviewing applications until the Land Board approved the PELS and lifted the previous direction to suspend leasing and disposition of certain lands within the vicinity of McCall. The Department expects there will be additional applications filed once the PELS is approved. Once the leasing suspension is lifted, there is a need to allow time for new or conflicting applications to be submitted.

Approving the PELS and providing for application submissions will allow the Department to work with the Office of Attorney General regarding any legal questions stemming from applications. The application period would be of a sufficient length to allow for applications but be limited in length to preclude a situation where the Department's processing of applications could be delayed due to serial application submittals. The Department will continue to review and accept applications after the application period, however, there is potential for a rush to file applications due to the PELS and suspension of certain applications. The Department will work with the Land Board and Land Board staff to address issues such as cost allocation to applicants, necessity of third-party expertise, and other related application matters.

Therefore, the Department recommends the following timeline:

- March 16, 2021 – Land Board approves the PELS
- March 16, 2021 – June 30, 2021 – Department works with the Office of Attorney General and Land Board staff to establish application evaluation criteria

Recommendation

The Department recommends the Land Board:

1. Approve the Payette Endowment Lands Strategy as provided herein.
2. Direct the Department to lift the existing restriction on certain leasing and disposition activities in the vicinity of McCall as directed at the June 16, 2020, Land Board meeting.
3. Direct the Department to begin accepting applications for lease, easement, land exchange, and disposition of lands in the McCall Area of Impact.
4. Direct the Department to begin the process of vetting applications immediately, including the Trident proposal, and hiring third party experts and negotiating for their payment with applicants, as needed, to assist in the evaluation and/or recommendation of applications.

Board Action

A motion was made by Attorney General Wasden that the Land Board approve and adopt the Department recommendation that is:

1. Approve the Payette Endowment Lands Strategy as provided herein.
2. Direct the Department to lift the existing restriction on certain leasing and disposition activities in the vicinity of McCall as directed at the June 16, 2020, Land Board meeting.
3. Direct the Department to begin accepting applications for lease, easement, land exchange, and disposition of lands in the McCall Area of Impact.
4. Direct the Department to begin the process of vetting applications immediately, including the Trident proposal, and hiring third party experts and negotiating for their payment with applicants, as needed, to assist in the evaluation and/or recommendation of applications.

Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

Attachments

1. Payette Endowment Lands Strategy – Written Plan
2. PELS webpage printout
3. PELS Focus Group agendas
4. Written Comments



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STATE BOARD OF LAND COMMISSIONERS
Brad Little, Governor
Lawrence E. Denney, Secretary of State
Lawrence G. Wasden, Attorney General
Brandon D Woolf, State Controller
Sherri Ybarra, Sup't of Public Instruction

April 20, 2022

Chairman Elting Hasbrouck
Valley County Commissioners
219 N Main Street
PO Box 1350
Cascade, ID 83611

via Certified Mail and Email
e-mail: commissioners@co.valley.id.us

Re: Upcoming 2022 Auction of Endowment Land – Valley County

Dear Chairman Hasbrouck,

The State Board of Land Commissioners, acting by and through the Idaho Department of Lands (Department), is responsible for the day-to-day management of Endowment Land located throughout the state and conducts real estate transactions for the same. Pursuant to Idaho Code §58-313A, the Department hereby notifies you that the State Board of Land Commissioners will be considering directing the sale of the endowment land located in Valley County.

Listed below is a list of properties the State Board of Land Commissioners will be considering for sale in 2022:

CS Address	Subdivision	Lot	Block
2242 Warren Wagon Road, McCall, ID 83638	Amended Cedar Knoll Acres	2	7
20 Cougar Island, McCall, ID 83638	Cougar Island	1	1
1 Cougar Island, McCall, ID 83638	Cougar Island	2	1
5 Cougar Island, McCall, ID 83638	Cougar Island	3	1
10 Cougar Island, McCall, ID 83638	Cougar Island	4	1
15 Cougar Island, McCall, ID 83638	Cougar Island	5	1
997 Squirrel Lane, McCall, ID 83638	SW Payette Cottage Sites	1	14

Chairman Elting Hasbrouck

April 20, 2022

Page 2

A written response indicating the Valley County Commissioners' position on the proposed sale(s) is requested. If you have any questions, please contact me at (208) 334-0257 or by email at jpurkissn@idl.idaho.gov at your earliest convenience.

Regards,



Joshua Purkiss
Bureau Chief, Real Estate Services

cc: 2022 VAFO File

Certified Mail No. 7016 1370 0000 2329 7619



IDAHO DEPARTMENT OF LANDS

Valley County Board of Commissioners

P.O. Box 1350 • 219 N. Main Street
Cascade, Idaho 83611-1350

Phone (208) 382-7100
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SHERRY MAUPIN
Commissioner
smaupin@co.valley.id.us

DOUGLAS A. MILLER
Clerk
dmiller@co.valley.id.us

May 9, 2022

Idaho State Department of Lands

RE: Auctioning Cougar Island

Thank you for your request for a response on your proposal to auction the Cougar Island property. Valley County Commissioners do not support auctioning the endowment properties on Cougar Island, or any actions by the state that could result in removing the remaining publicly accessible, non-leased parcels of Cougar Island from the public domain. Cougar Island exists as one of the most iconic features of Payette Lake and Valley County Commissioners do not view its private sale as a benefit to residents and visitors of Valley County and the City of McCall. Our community values its land and water resources for the enjoyment and benefit of all, and we urge the Idaho Department of Lands to pause the auction process to provide time for the creation of remedies that will keep the lands in public ownership while fulfilling the fiduciary obligations of endowment lands.

Selling such beloved lands - enjoyed by generations of Idahoans - would be a permanent and irreversible black mark in our state's decorated history of conserving special places so that future generations can share those same places and experiences. The weight of losing the island will not just be carried by those of us lucky enough to be elected leaders, but by all future generations of Idahoans.

The risks posed by development of Cougar Island will jeopardize the tentative water quality in Big Payette Lake. The lake, which provides the drinking water for the growing McCall community, is already showing signs of impending environmental concerns. The environmental risk combined with the loss of public access, viewshed, and enjoyment continues the ever-present degradation of the resources we value and a way of life we envision remaining in perpetuity. This water source also serves other Communities along the river corridor. Our pristine water resource must be protected for future generations.

The commission understands the sale of the leased parcel is likely to move forward per IDL's Voluntary Auction for Ownership (VAFO) process at the request of the homeowner, however we would request a reconsideration of the auction for the existing homesite on Cougar Island until such time as a long-term solution can be found for the island as a whole.

Having four additional private residences on Cougar Island vs the disadvantages they present, is not a positive solution for the region. The Commission recommends IDL work closely with Valley County and the City of McCall to develop innovative solutions that meet the needs of the City of McCall, Valley County and the State of Idaho. These solutions could include incorporating Cougar Island as a public park which would continue to be enjoyed by all while helping to safeguard water quality. United Payette has been working with the County on other parcels along the waterfront to secure long term leases to help offset the loss of funding from these parcels. United Payette is also ready and willing to support the effort to find alternative solutions to an auction of Cougar Island.

We are not opposed to the other auctions being proposed.

Thank you for the continued opportunity for discussion on the IDL Lands in our area.



Elting Hasbrouck
Chairman- Valley County Commissioner



Sherry Maupin
Valley County Commissioner



Edgar Allen
Valley County Commissioner

STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Regular Agenda

Subject

Asset Allocation Study

Question Presented

Shall the Land Board approve the Asset Allocation Study updated by the Land Board's General Consultant (Callan)?

Background

In November 2014, the 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 2014 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

Discussion

The Investment Policy Statement for the whole trust includes the following pertaining to revision 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. At the February 2022 meeting, the Land Board directed the Endowment Fund Investment Board and the Department to utilize the Land Board's General Consultant (Callan) to update the Asset Allocation Study.

The Asset Allocation Study (Attachment 1) completed by Callan includes the following:

- Updated return forecasts for land assets
- Updated return expectations for financial assets
- Updated expected return and risk for the total endowment trust (financial assets and land assets)
- Correlations for the financial and land assets

The Land Board's Investment Subcommittee is directed, in part, to "Coordinate consideration of investment issues that cross both the endowment fund and endowment lands." The Investment Subcommittee met on June 1, 2022 and approved the Department's recommendation to present the Asset Allocation Study to the Land Board.

Recommendation

Approve the Asset Allocation Study updated by the Land Board's General Consultant (Callan).

Board Action

Attachments

1. Asset Allocation Study



May 17, 2022

**Total Endowment Trust
Asset Allocation Review**

Idaho Department of Lands &
Endowment Fund Investment
Board

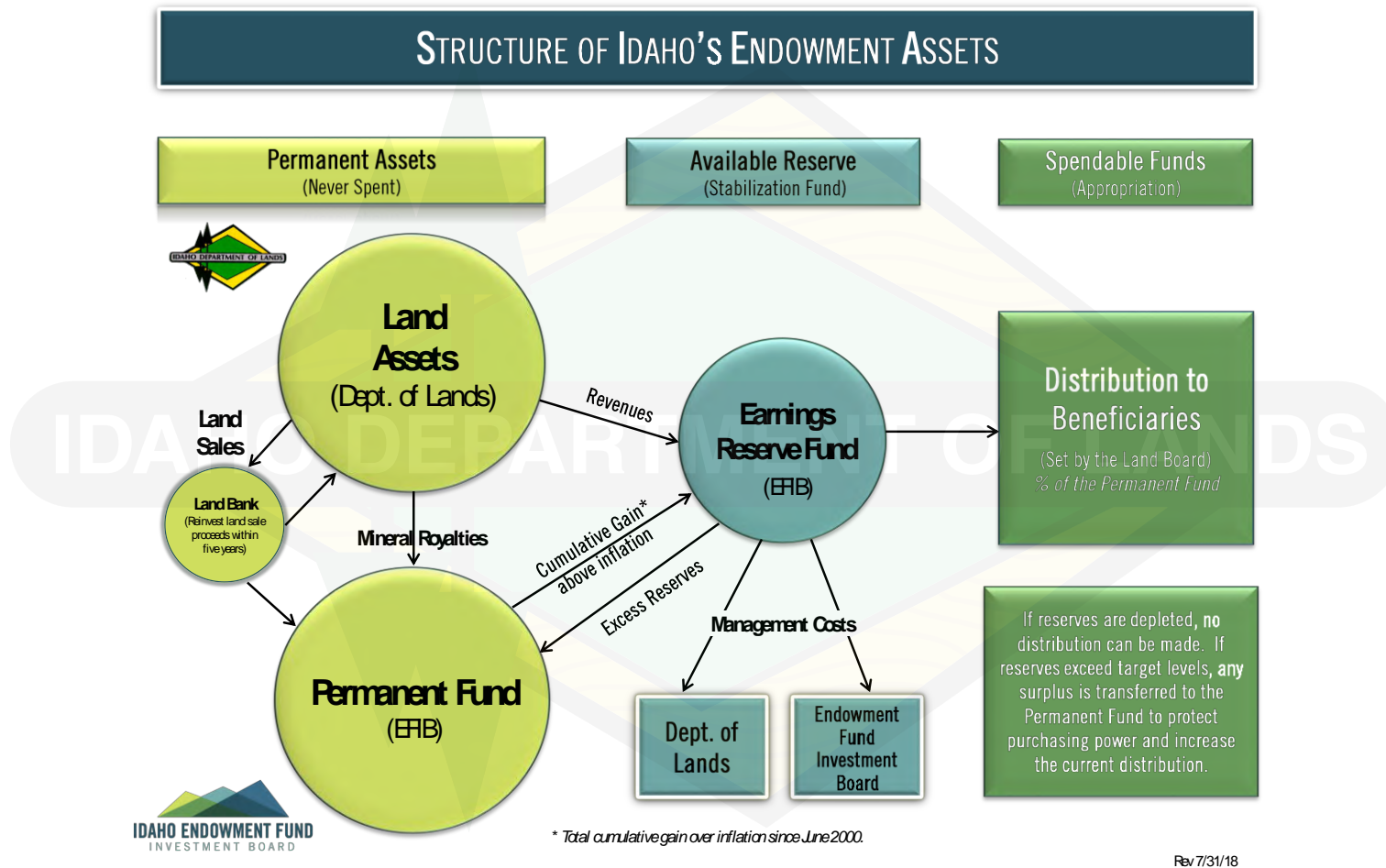
Jim Van Heuit

Senior Vice President

Janet Becker-Wold, CFA

Senior Vice President & Manager

Structure of Total Endowment Assets



Objectives

- Per State Constitution and Statute, the Endowment Trust has a perpetual time horizon
- The return objective is to earn, over a long period of time, an annualized return (net of fees, expenses and costs) above spending and inflation combined with student population growth
 - Distribute 5% of the 3-year average value of each Permanent Fund annually (7% for SHS) – adjusted for reserves, transfers and other relevant factors
- Maintain earnings reserve at target levels based on years of beneficiary distributions
- Healthy Earnings Reserves protect distributions in down market years (7 years for all Endowments)
 - Allows the Fund to assume sufficient risk to meet distribution goals over the long run

IDAHO DEPARTMENT OF LANDS

Review of 2014 Asset Allocation Study

Motivation

- In 2014, Callan performed the “Asset Allocation and Governance Review” for IDL
- The primary subjects of this report were
 - Governance
 - Revenue forecasting
 - Land asset valuation policy
 - Performance reporting
 - Asset allocation
 - Commercial real estate
- The asset allocation study had several important components
 - Determine the value of timberland and rangeland
 - *Existing appraisals were deemed inadequate*
 - *Values were necessary to determine the size of the allocations relative to EFIB financial assets*
 - *Values were needed to convert forecasted revenues to returns*
 - Forecast the volatility of timberland and rangeland returns
 - Forecast the potential diversification timberland and rangeland provide to financial assets
 - Forecasts for land returns, volatilities and diversification were necessary inputs for other evaluations
 - *Calculation of returns and risks for a portfolio combining both financial and land assets*
 - *Determination of the attractiveness of land assets relative to financial assets*

Review of 2014 Asset Allocation Study

Findings

- Timberland had an expected compound return of 5.7% and a risk of 12%
 - Table at right
 - Both values are mid way between the values for publicly-traded equity and fixed income
- Rangeland had an expected compound return of 3.3% and a risk of 6.75%
 - The return was comparable to EFIB bonds but with measurably more risk
- Both timberland and range land had near zero correlations with financial assets
 - Bottom table
 - They diversify these investments well

Asset Classes	Uncompounded Return	Compounded Return	Standard Deviation
Broad US	9.15	7.60	19.02
Global Ex-US	9.80	7.80	21.46
EFIB Bonds	3.06	3.00	3.71
Real Estate	7.35	6.20	16.50
Private Equity	13.55	8.50	33.05
IDL Timberland	6.25	5.70	12.00
IDL Rangeland	3.50	3.30	6.75
Cash Equivalents	2.00	2.00	0.90
Inflation	2.25	2.25	1.50

	Broad US	Global Ex-US	Domestic Fixed	TIPS	EFIB Bonds	Real Estate	Private Equity	IDL Timberland	IDL Grazing Land	Cash Equivalents	Inflation
IDL Timberland	-0.01	-0.01	0.02	0.02	0.02	0.02	0.00	1.00	-0.20	0.00	0.10
IDL Rangeland	0.36	0.32	-0.17	-0.17	-0.18	0.19	0.34	-0.20	1.00	0.00	0.00

Review of 2014 Asset Allocation Study

Findings

- Timberland made up 39% of assets while rangeland was 2% of assets
- The total EFIB expected return including land assets was forecast to be 6.69% while the risk was forecast to be 9.28%
- Forecast returns for EFIB financial assets and EFIB financial assets plus land assets were very similar
- The introduction of land asset reduced risk by more than 4%

Asset Class	Endow-ment	EFIB
Broad US	30	49
Global Ex-US	12	21
EFIB Bonds	16	30
IDL Timberland	39	0
IDL Rangeland	2	0
Cash Equivalents	1	0
Totals	100	100
10-Year Compounded Return	6.69	6.76
Risk (Standard Deviation)	9.28	13.39

2022 Asset Allocation Study

Motivation

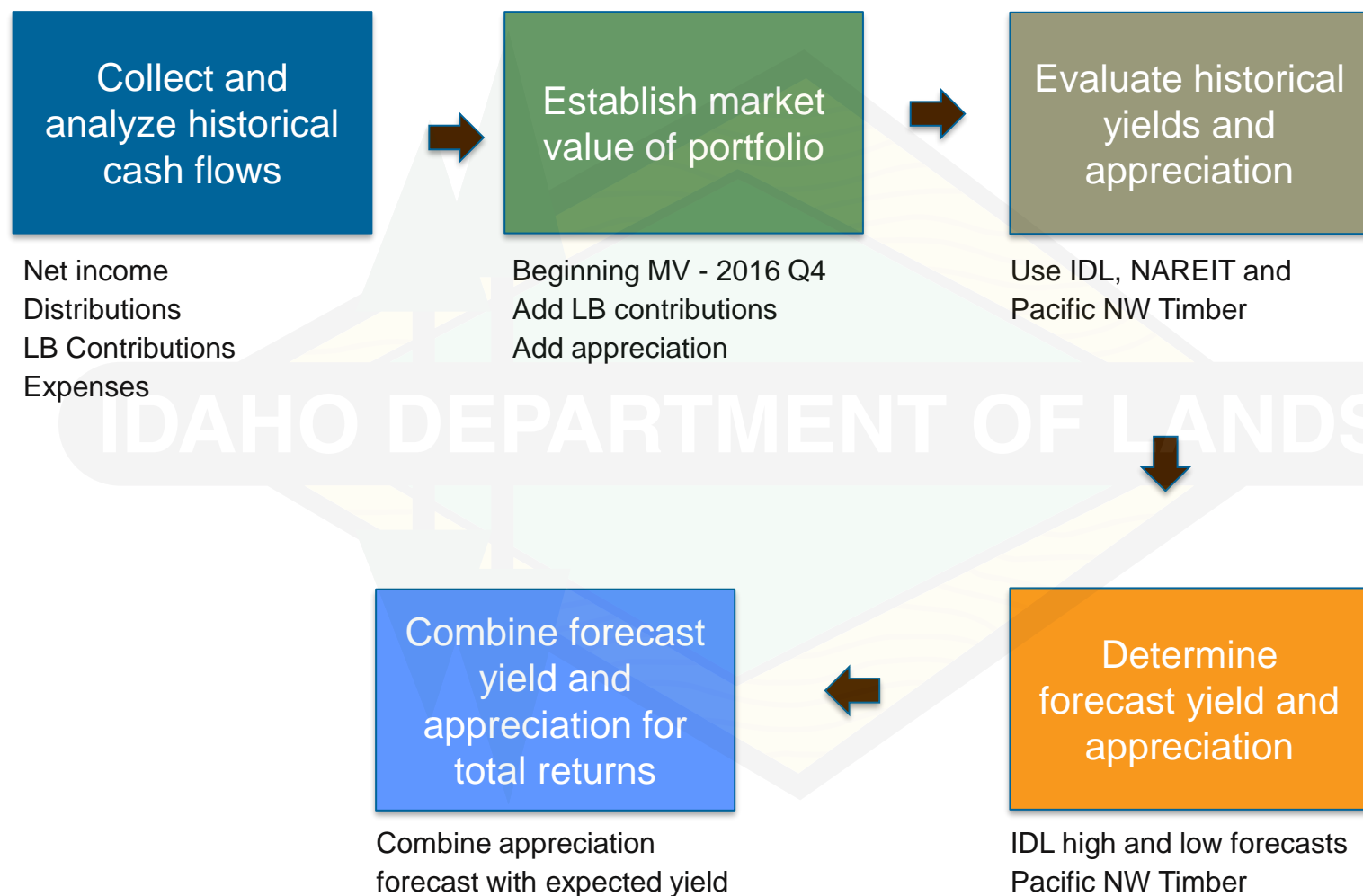
- Update return forecasts for land assets
 - Reflect current conditions
 - Incorporate land performance data collected since 2015
- Update return expectations for financial assets
 - Callan's forecasts for financial assets are regularly updated to reflect changing market conditions
- Update the expected return and risk for the Total Endowment Trust (financial assets+ land assets)

A large, faint watermark of the Idaho Department of Lands logo is centered on the page. The logo features a stylized mountain peak with a sunburst at the top, a river at the bottom, and a central shield containing a tree and a sun. The text "IDAHO DEPARTMENT OF LANDS" is written across the middle of the shield in a bold, sans-serif font.

IDAHO DEPARTMENT OF LANDS

Idaho Department of Lands

Timber and Rangeland Return Forecast Process



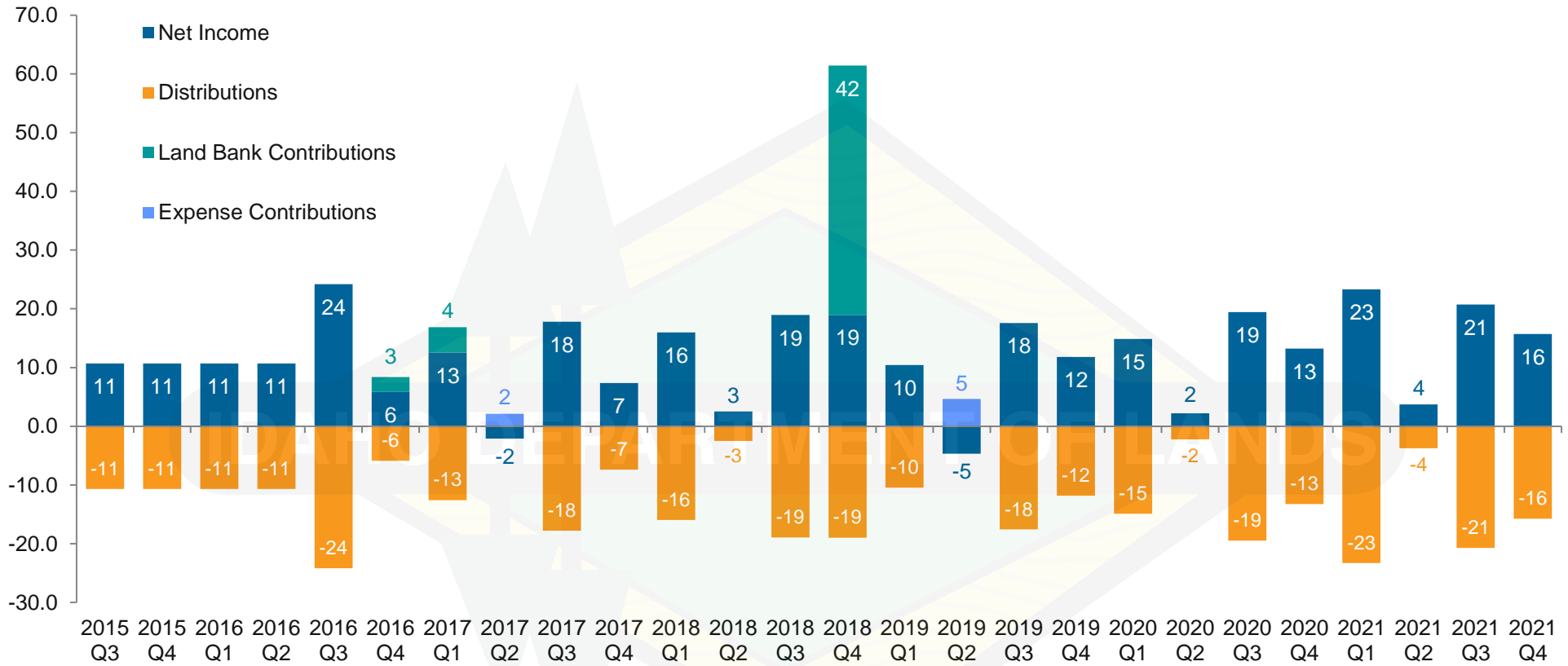
2022 Study

Methodology

- Forecast performance is based on both historical and forecast data
 - Timberland and rangeland data collected since 2015
 - *Appraisals*
 - *Cash flows*
 - *Allows historical views of capital appreciation and yield*
 - *6½ year timeframe is shorter than that normally used to forecast future returns*
 - IDL revenue forecasts
 - *Can now be used with land appraisals to calculate yields*
 - Historical NCREIF Pacific Northwest Timber performance
 - *Provides a comparison for both capital gains and yields*
 - Historical REIT yields
 - *Provides a comparison for yields*
 - *Equity nature of the index makes it less appropriate for capital gains comparison*
- Forecast risks and diversification
 - Illiquid nature of land assets requires the use of proxies
 - Used same proxies in 2022 as in 2014
- Integrate land asset with EFIB financial assets to determine overall portfolio return, risk and yield

Timberland

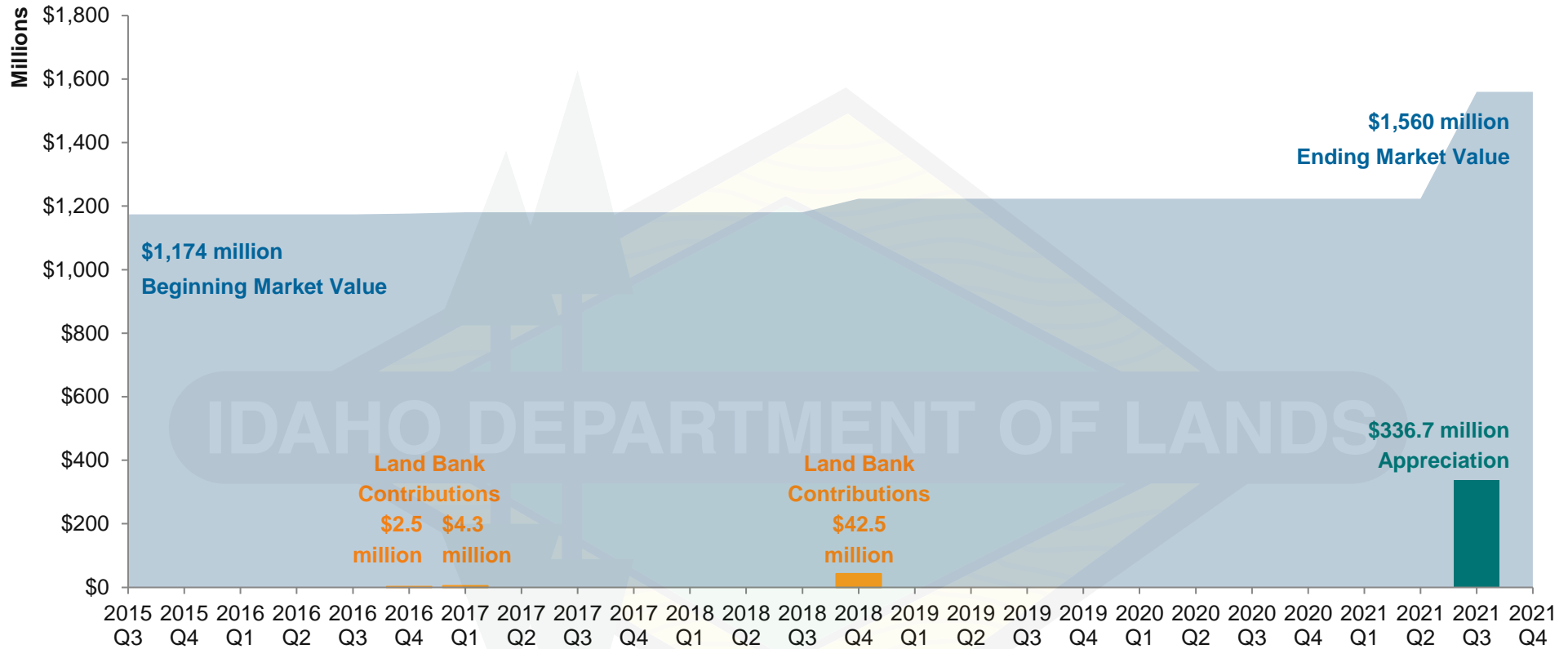
Historical Cash Flows



- Distributions equal net income in most quarters
 - Distributions were zero when fees exceeded income (2017 Q2 and 2019 Q2)
 - Contributions made up the difference between fees and income
- Contributions from the Land Bank added to market value in 2016 Q4 (\$2.5 mm), 2017 Q1 (\$4.3 mm) and 2018 Q4 (\$42.5 mm)

Timberland

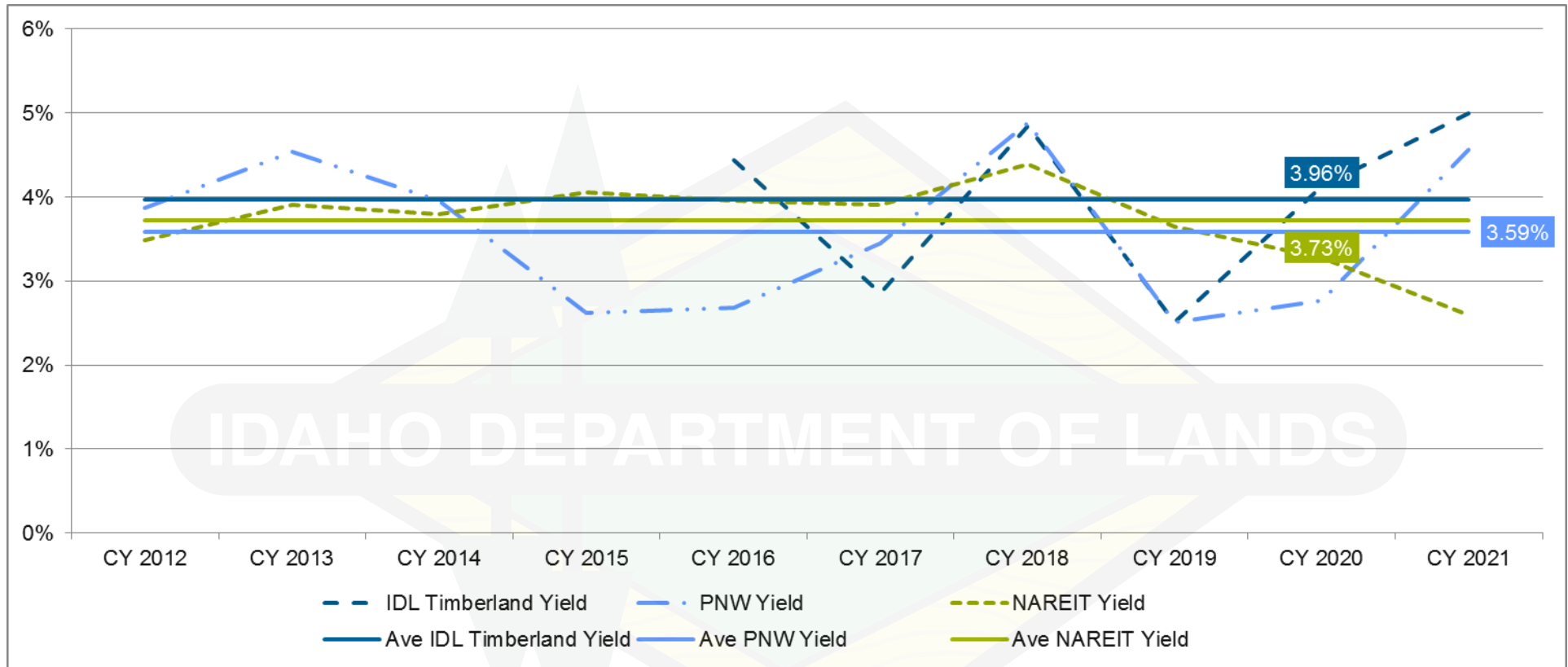
Historical Components of Changing Market Value



- Contributions from the Land Bank added marginally to market value in 2016 Q4 and 2017 Q1
- Contributions from the Land Bank added meaningfully to market value in 2018 Q4 (sale of cabin sites)
- The increase in market value in 2021 Q3 is appreciation due to appraisal
 - Appreciation added much more to market value than contributions from the Land Bank

Timberland

Historical Yields



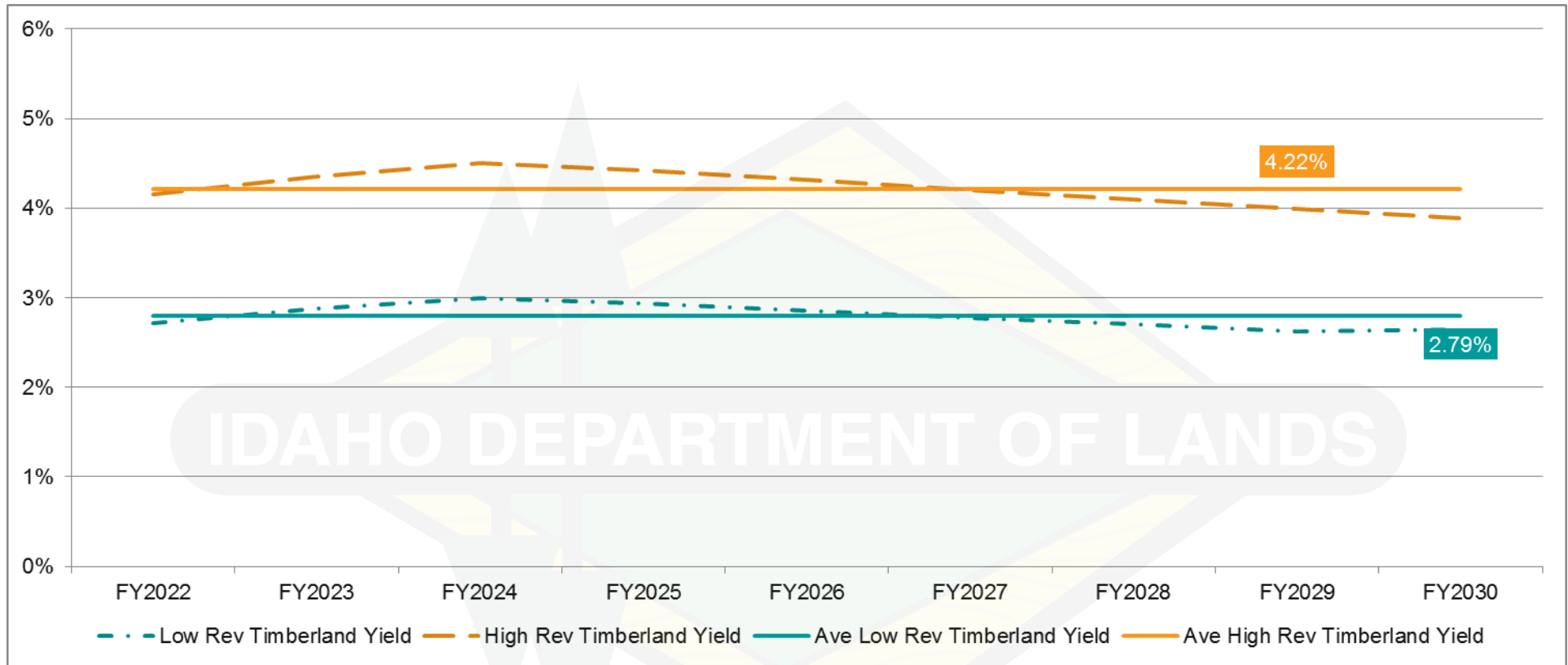
- Idaho timberland yield averaged 3.96% over the 6 years since valuation methodology updated
 - Yield is defined as income net of fees and net of contributions made when income falls short of fees
- NCREIF Pacific Northwest Timberland yield averaged 3.59% over the last 10 years
 - Range of yields similar to that of IDL
- NAREIT yields averaged 3.73% over the most recent 10 years

Note: calendar years used so that all of calendar year 2021 data can be shown

Sources: IDL, NCREIF, NAREIT, Callan

Timberland

Forecasts Yields

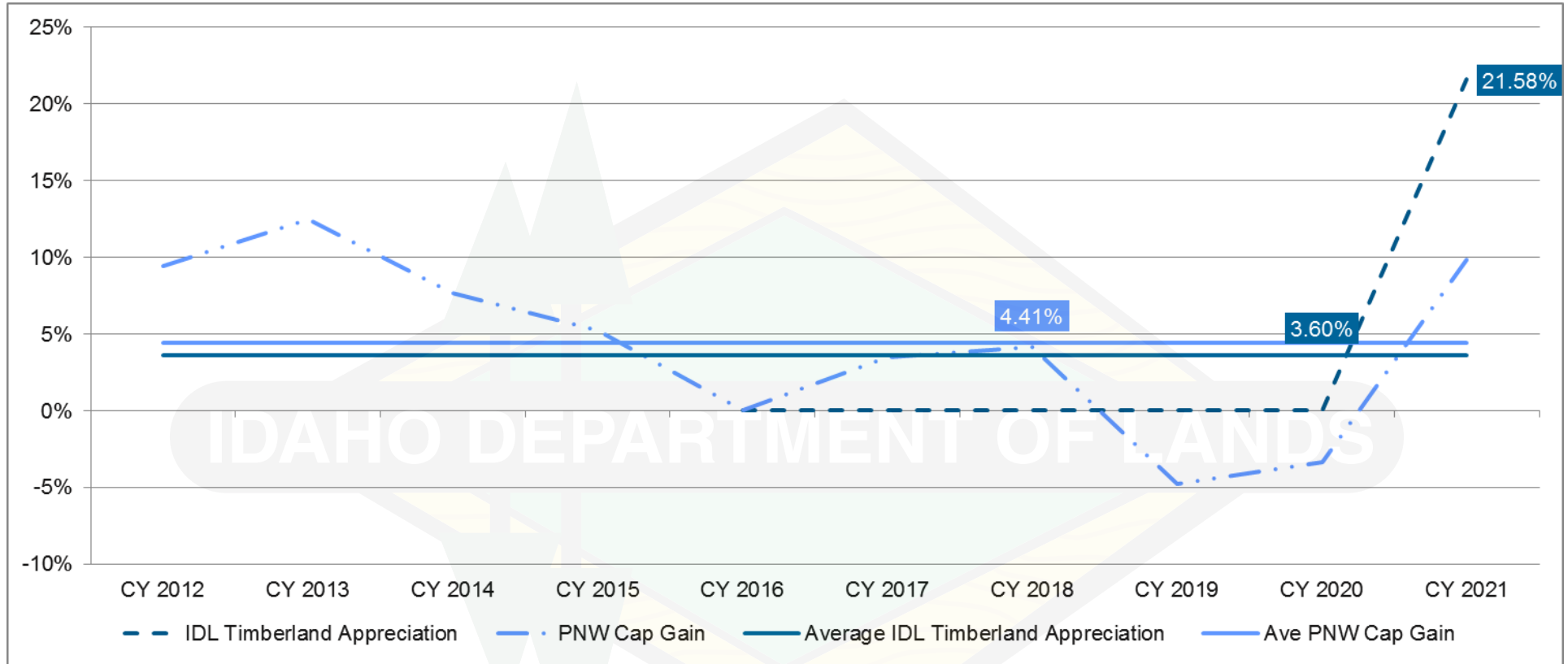


- The High Revenue Forecast from IDL has a net yield of 4.22%
- The Low Revenue Forecast from IDL has a net yield at 2.79%
 - IDL net yields are IDL net revenue forecasts divided by forecast timberland values appreciating at a 2.25% rate of inflation
 - The average of these two yields is **3.5%**
- Forecast yields assume no contributions

Sources: IDL, Callan

Timberland

Historical Appreciation

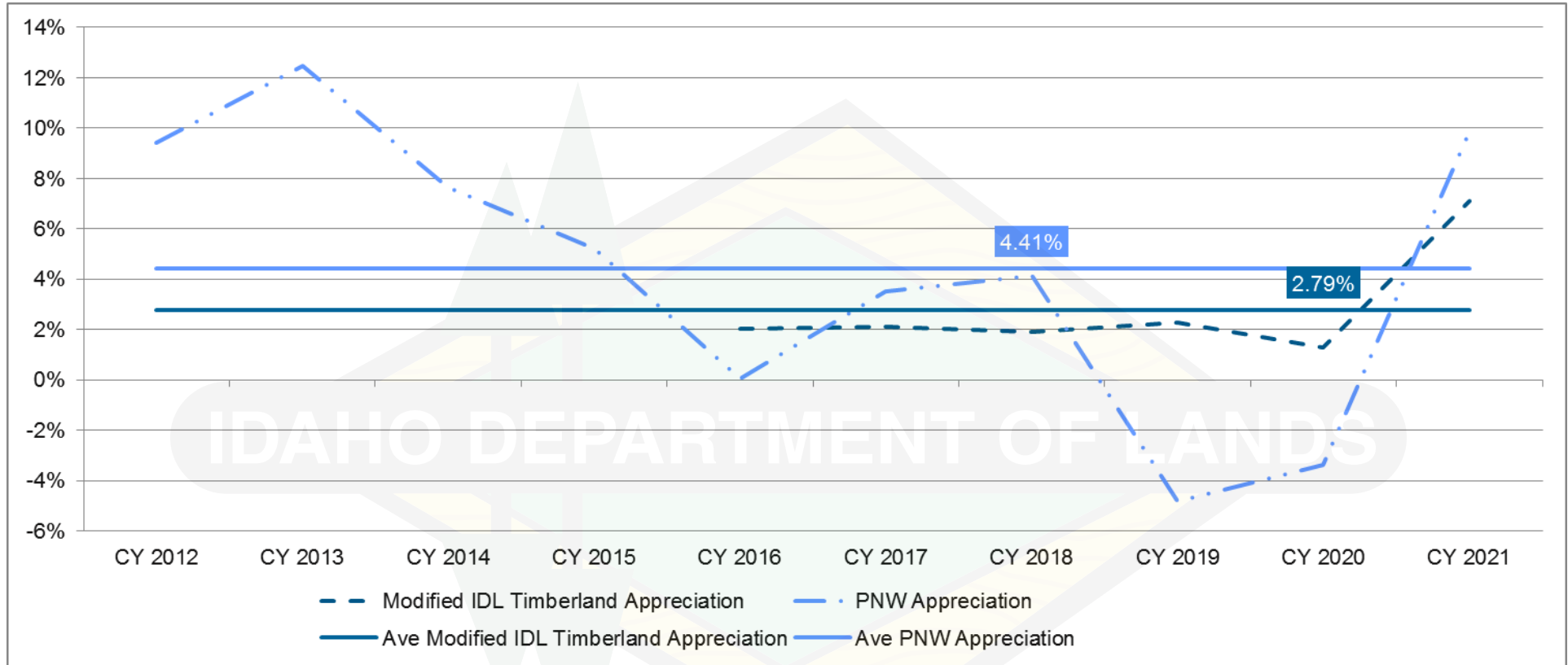


- Average change in market value for Idaho timberland was 3.60%
 - Appreciation only occurred in CY 2021 when an appraisal was performed
 - The average could be higher or lower depending on the number quarters included in the average
- The average capital gain for NCREIF Pacific Northwest Timber was 4.41%

Sources: IDL, NCREIF, NAREIT, Callan

Timberland

Modified Historical Appreciation

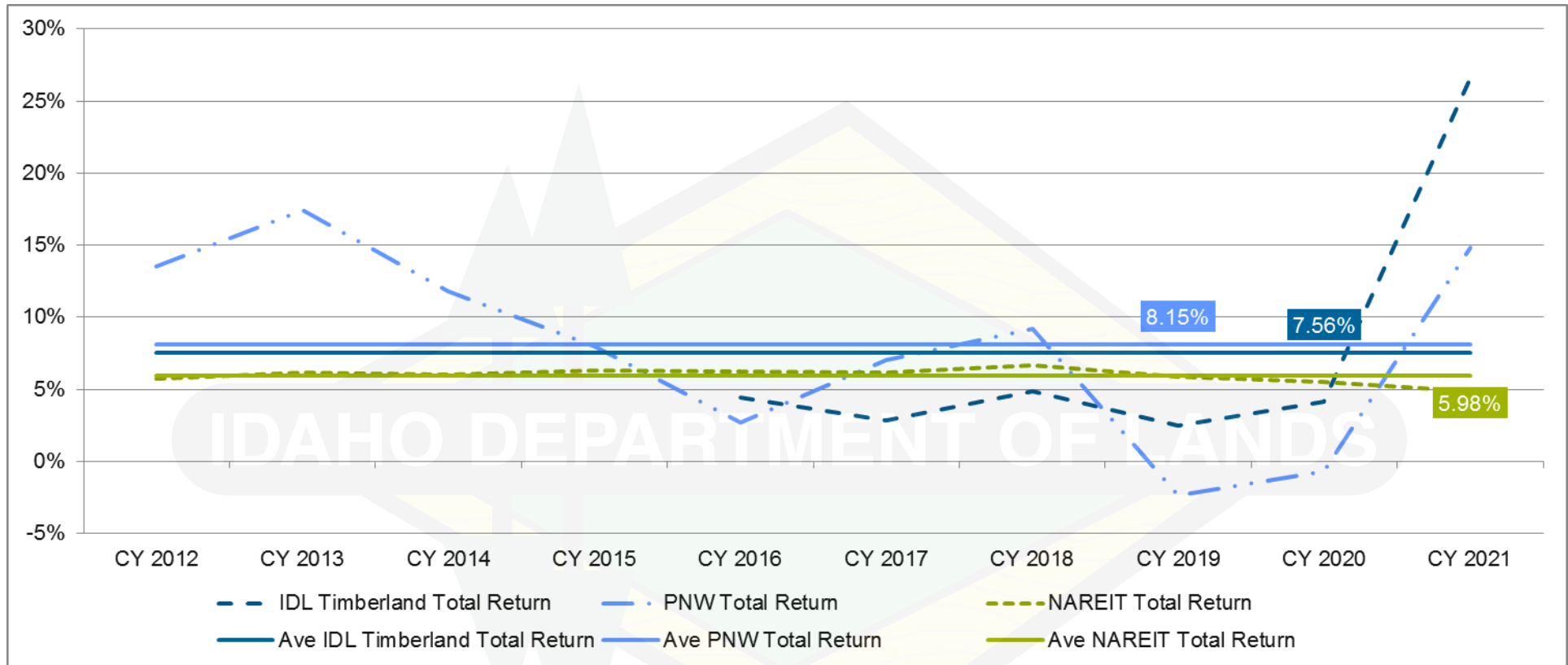


- Modified average Idaho timberland historical market value change was 2.79%
 - “Modified” means that assumed timberland capital gains for CY 2016 – 2021 were equal to inflation
- The average capital gain for NCREIF Pacific Northwest Timber was 4.41%
 - NCREIF Pacific Northwest Timber returns shown are actual, not “modified”

Note: calendar years used so that all of calendar year 2021 data can be shown
Sources: IDL, NCREIF, Callan

Timberland

Historical Total Return



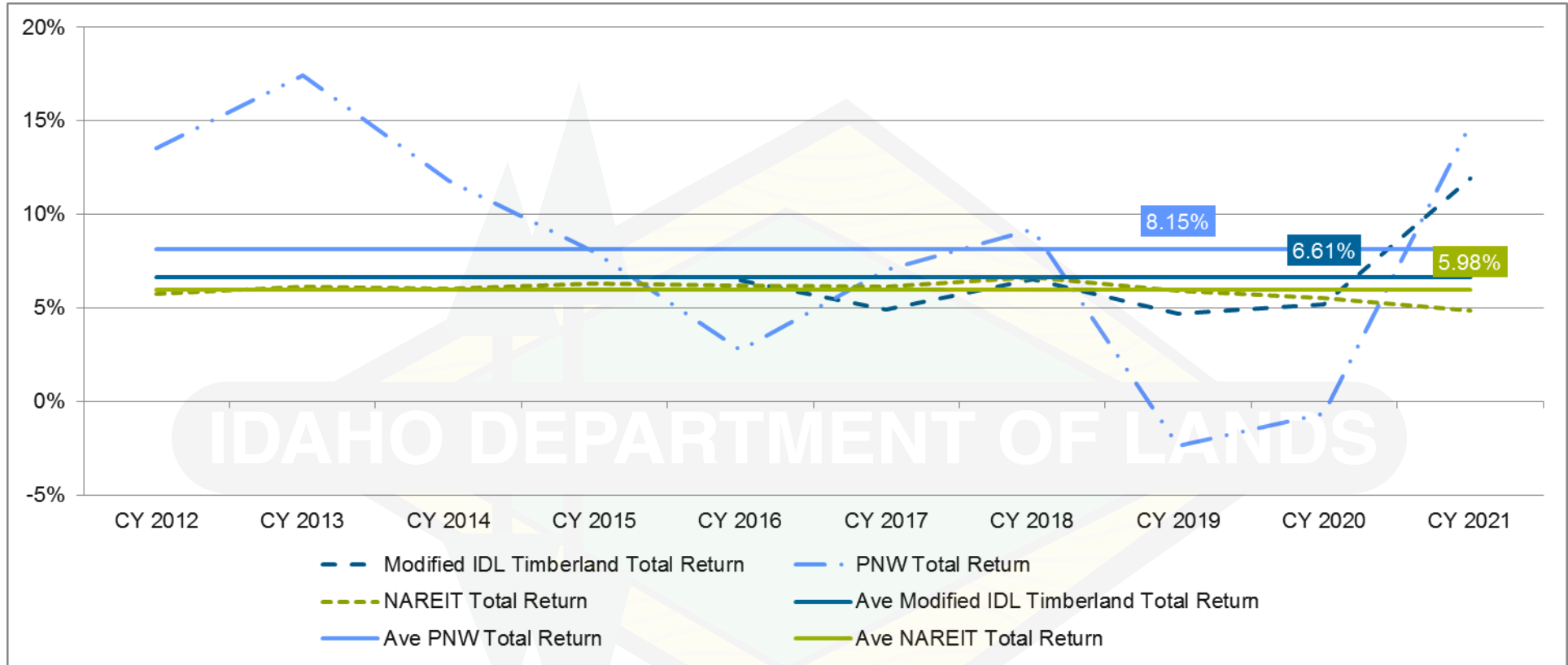
- Historical average Idaho timberland total return was 7.56%
 - The average total return is dominated by a 21.58% capital appreciation CY 2021
- The average total return for NCREIF Pacific Northwest Timber was 8.15%
- Over most of the common history, IDL and NCREIF total returns followed a similar pattern
- The average total return for NAREIT was 5.98%

Note: calendar years used so that all of calendar year 2021 data can be shown

Sources: IDL, NCREIF, NAREIT, Callan

Timberland

Modified Historical Total Return



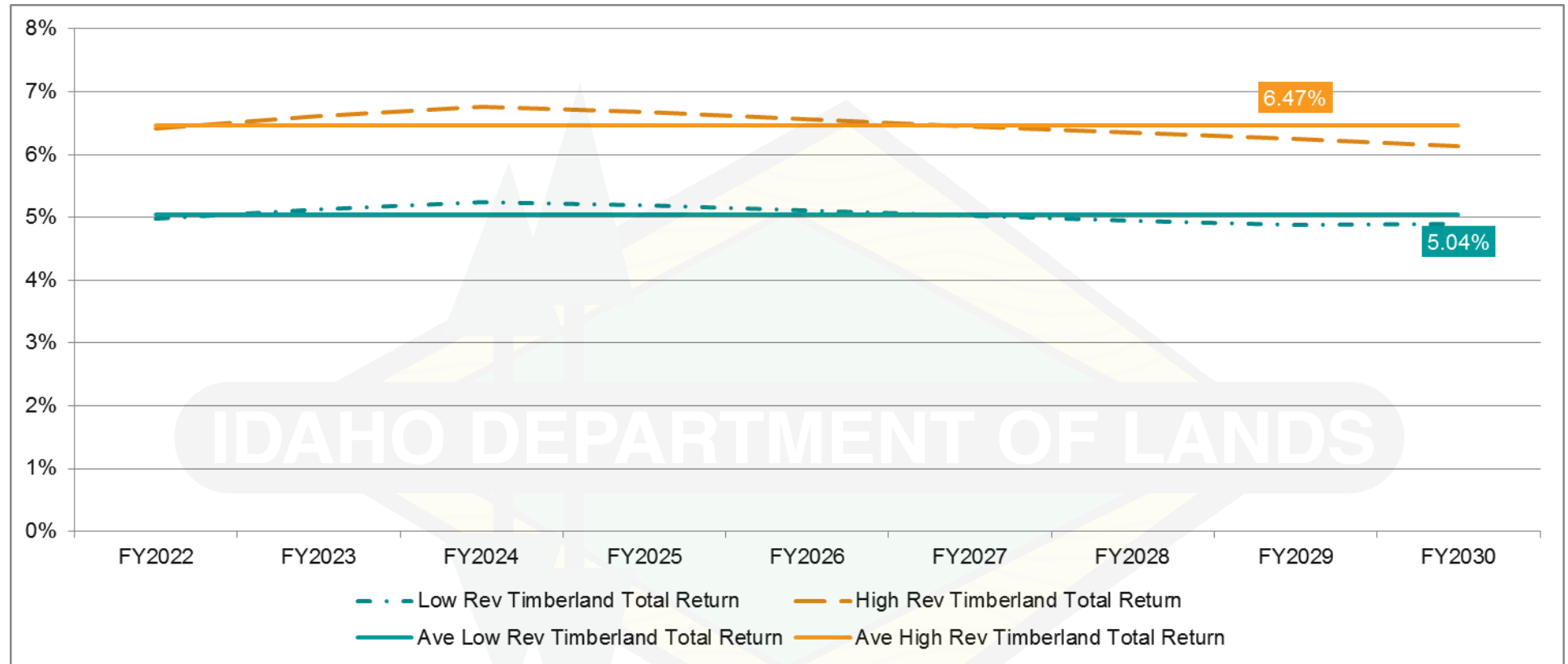
- Historical average modified Idaho timberland total return was 6.61%
 - Modified total return is the sum of modified capital appreciation and net cash flows divided by modified capital appreciation
 - Modified capital appreciation is appreciation due to inflation alone
- The total returns for NCREIF Pacific Northwest Timber and NAREIT are unmodified (actual historical)
- The expected average return calculated in 2014 was 6.25%

Note: calendar years used so that all of calendar year 2021 data can be shown

Sources: IDL, NCREIF, NAREIT, Callan

Timberland

Forecast Total Return

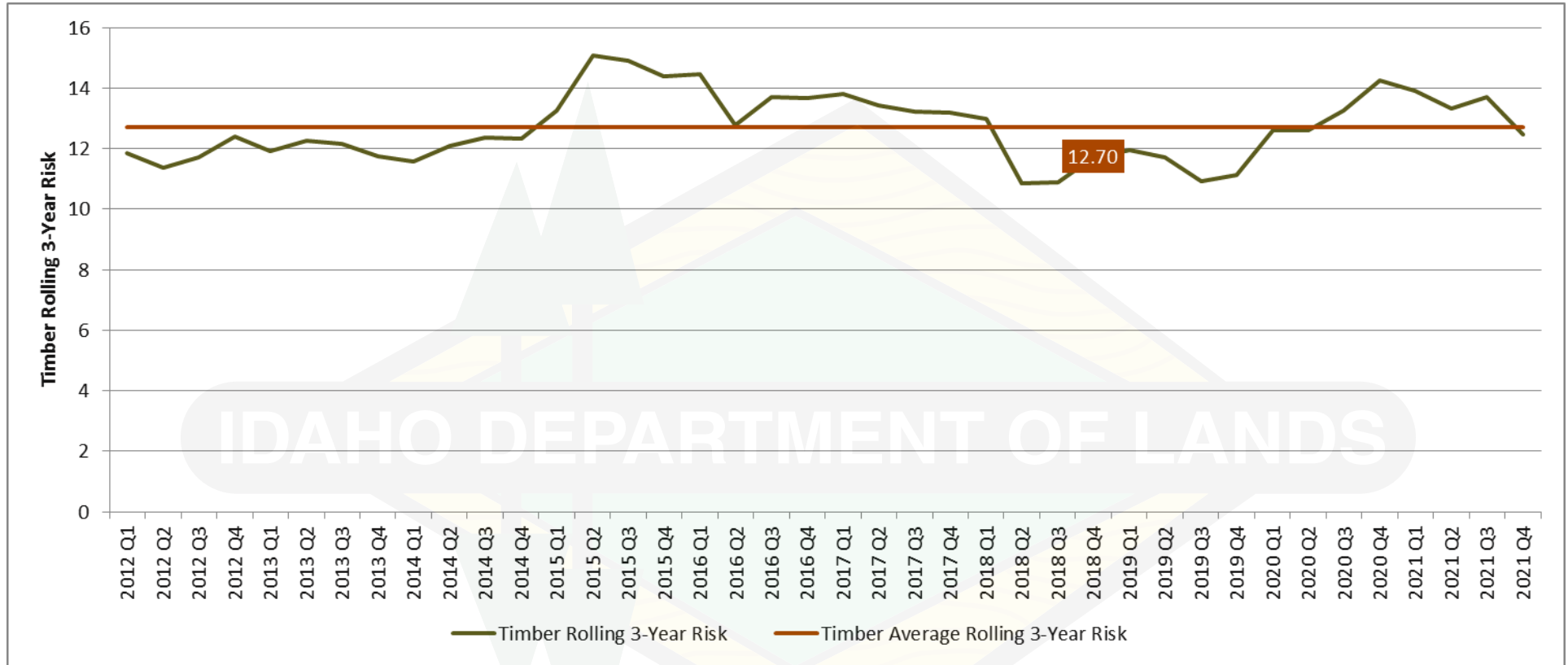


- The total return from the High Revenue Forecast from IDL has an average of 6.47%
- The total return from the Low Revenue Forecast from IDL has an average of 5.04%
 - Appreciation is due to inflation; no contributions were assumed
 - Yields are net revenue divided by land value including appreciation
- The midpoint between high and low values is 5.76% compared to an expected return of 6.25% calculated in 2014

Sources: IDL, Callan

Timberland

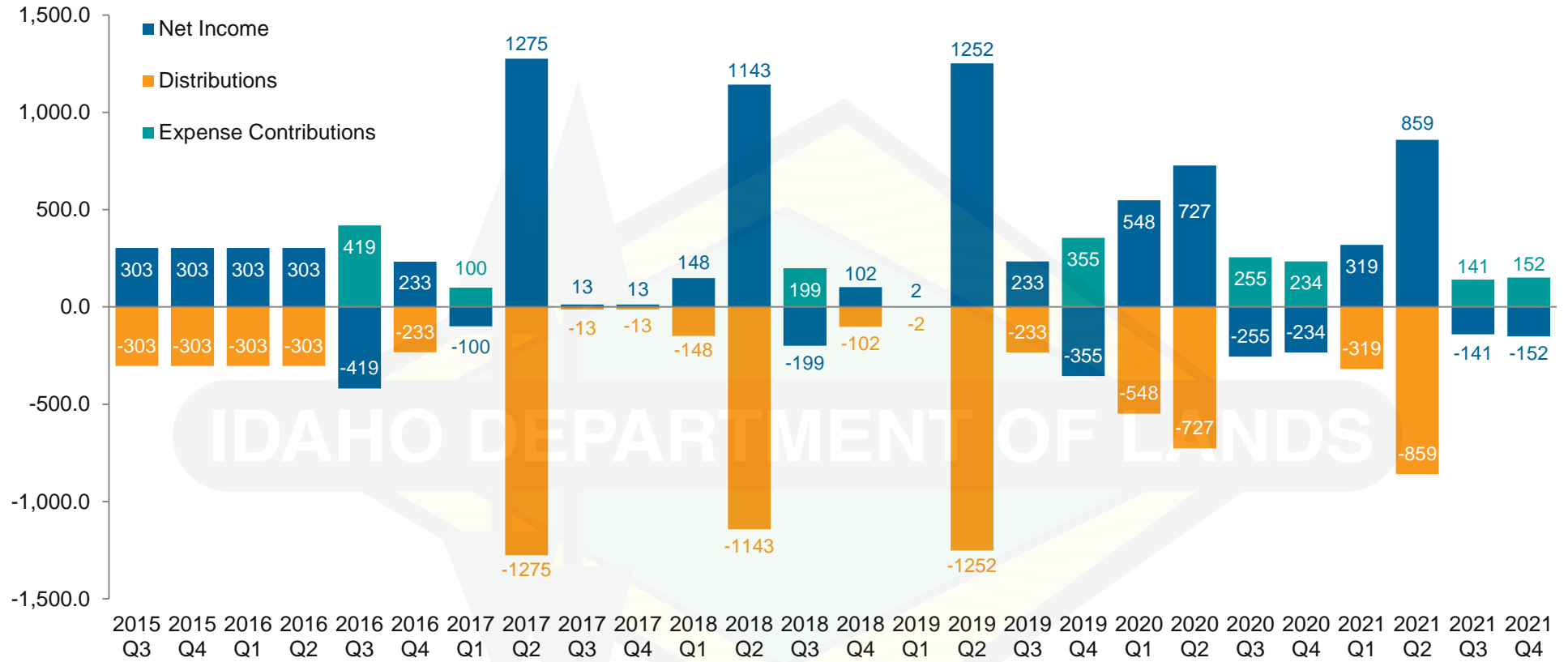
Risk Proxy



- Same risk proxy as in 2014
 - 40% Producer price index for logging
 - 60% Housing starts
- Slight increase in risk
 - 2014: 12.0%
 - 2022: 12.7%

Rangeland

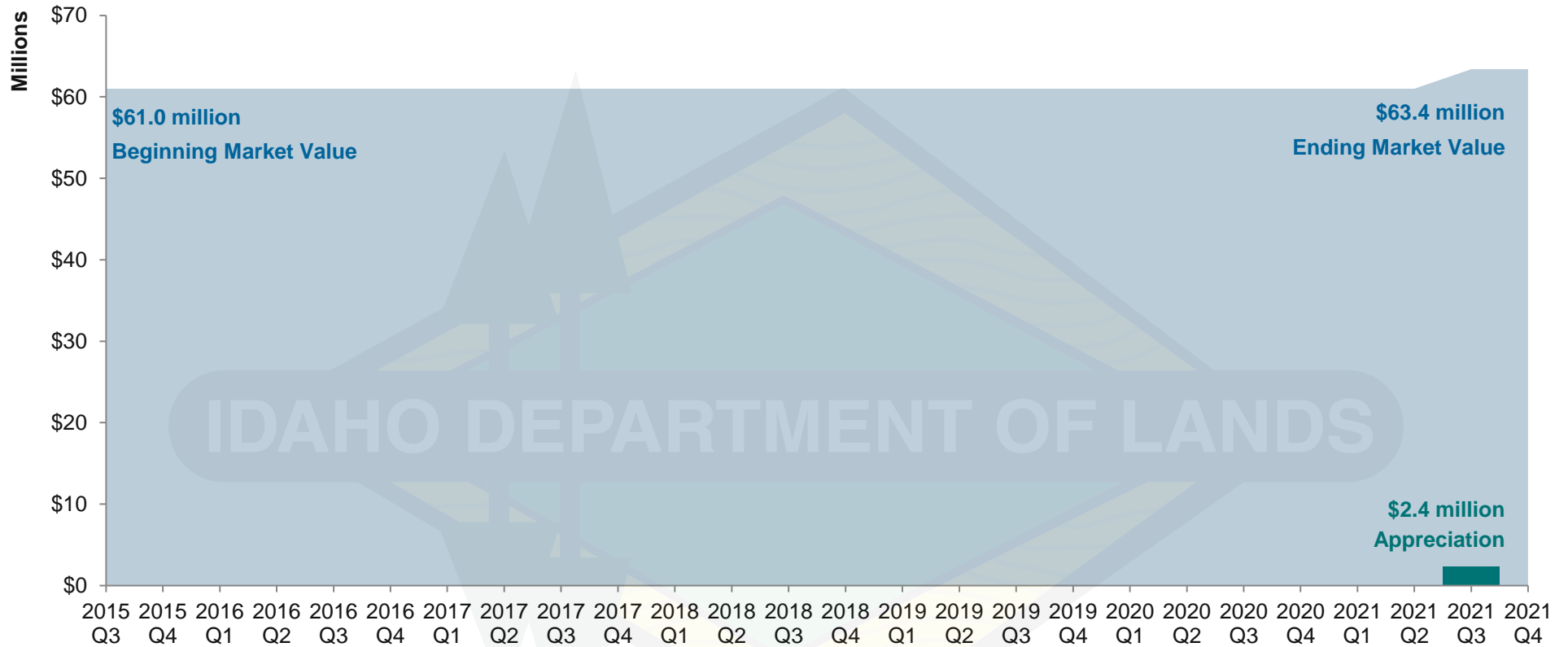
Historical Cash Flows



- Distributions equal net income in most quarters
 - Distributions were zero when fees exceeded income in 8 quarters
 - Expense contributions made up the difference between fees and income in all 8 quarters
- There were no Land Bank contributions

Rangeland

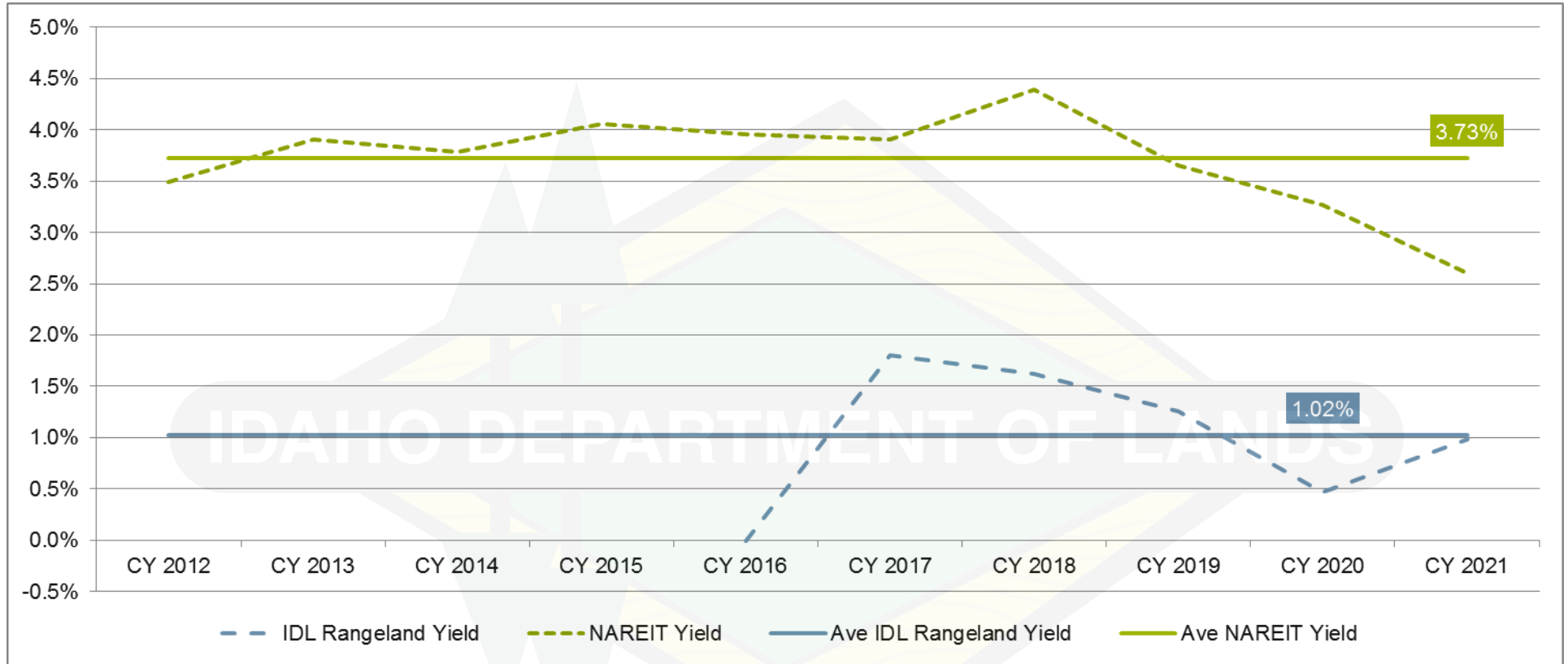
Historical Components of Market Value Change



- Market value is constant at \$61 million until 2021
 - No contributions from the Land Bank
- The increase in market value in Q3 2021 due to an appraisal

Rangeland

Historical Yields

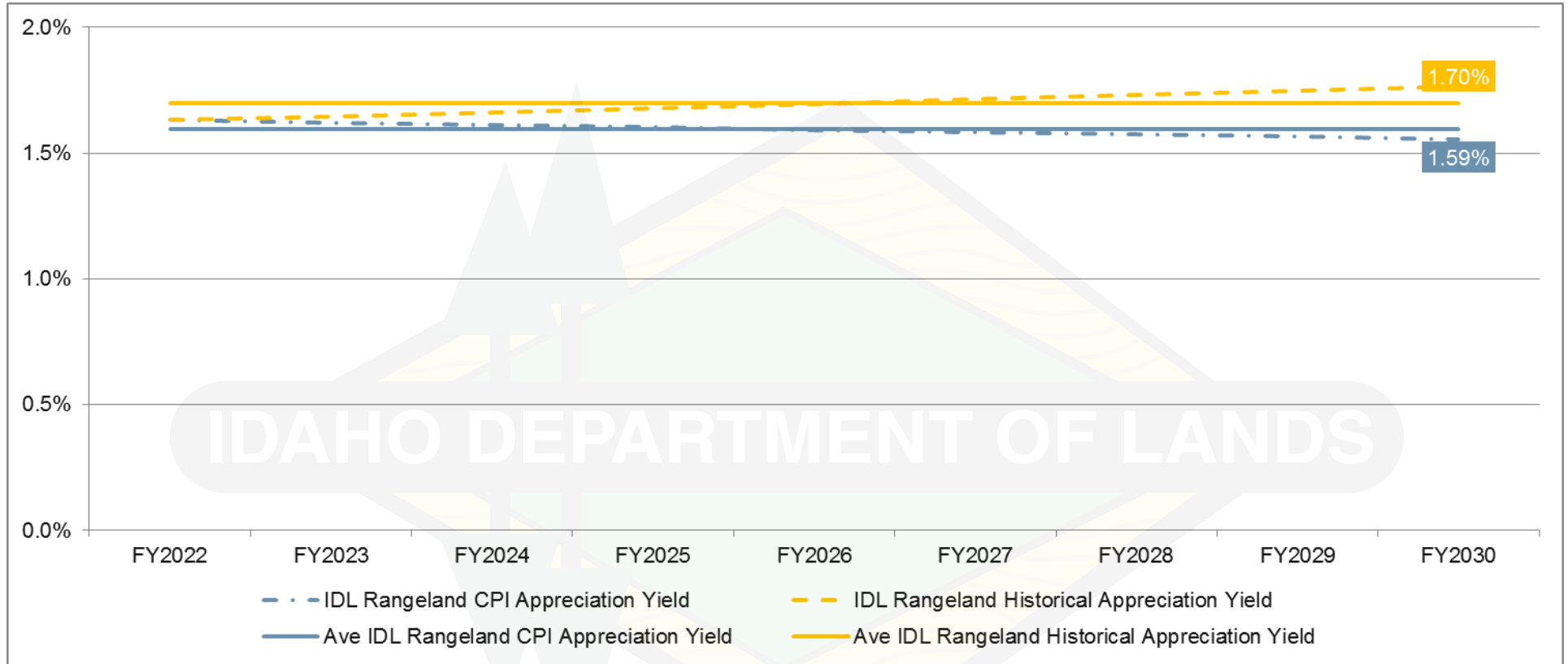


- Idaho rangeland yield was 1.02% over the 6 years since the valuation methodology was updated
 - Yield is defined as income net of fees and contributions made when income falls short of fees
 - Contributions suppressed yields in 8 quarters due to lower net cash flows and a higher market value
- NAREIT yields averaged 3.73% over the most recent 10 years
 - Smoother path since this is a publicly-traded index

Note: calendar years used so that all of calendar year 2021 data can be shown
Sources: IDL, NCREIF, NAREIT, Callan

Rangeland

Forecast Yields

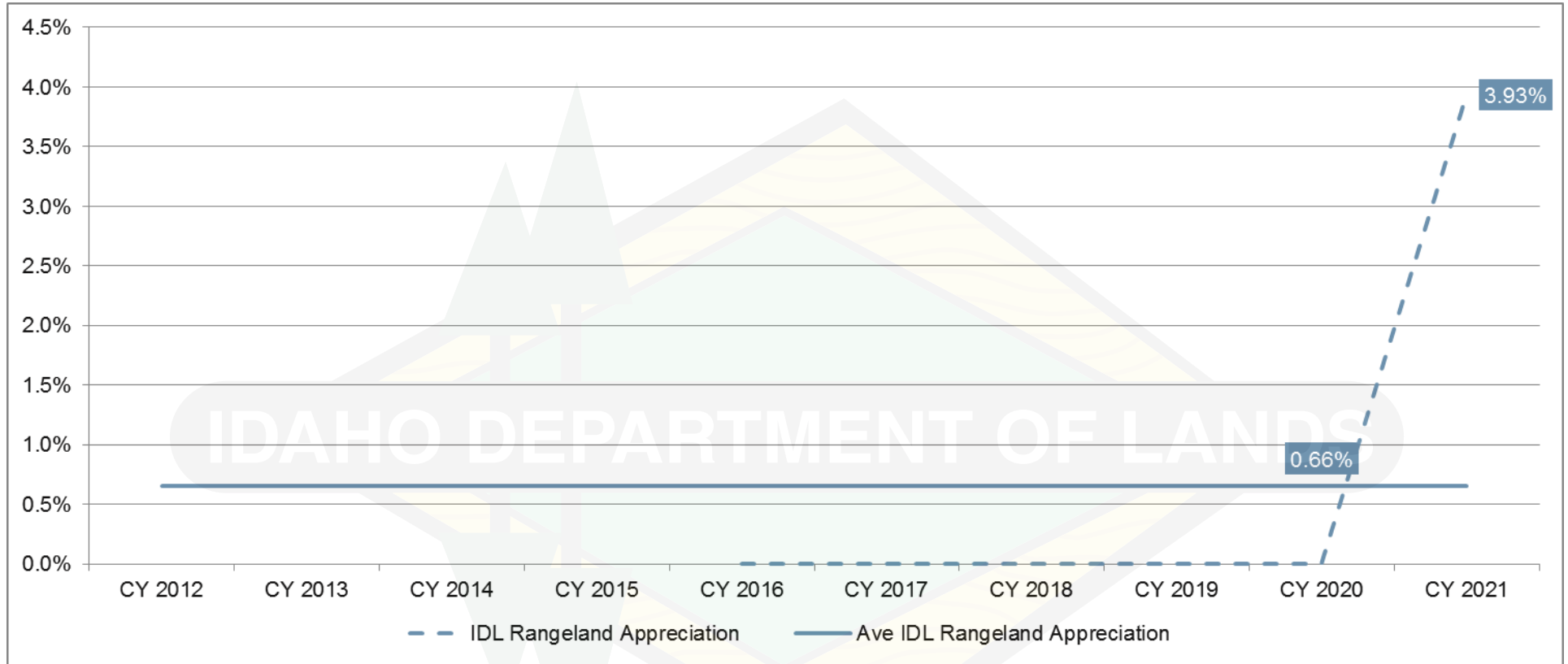


- Both yield forecasts use the IDL rangeland dollar revenue forecast
- IDL Rangeland CPI Appreciation Yield is calculated by dividing IDL net revenue forecasts by forecast rangeland land values which are assumed to appreciate at the Callan forecast rate of inflation of 2.25%
- IDL Rangeland Historical Appreciation Yield is calculated by dividing IDL net revenue forecasts by forecast rangeland land values which are assumed to appreciate at the historical rate of 0.66% (see market value change slide)

Sources: IDL, Callan

Rangeland

Historical Appreciation

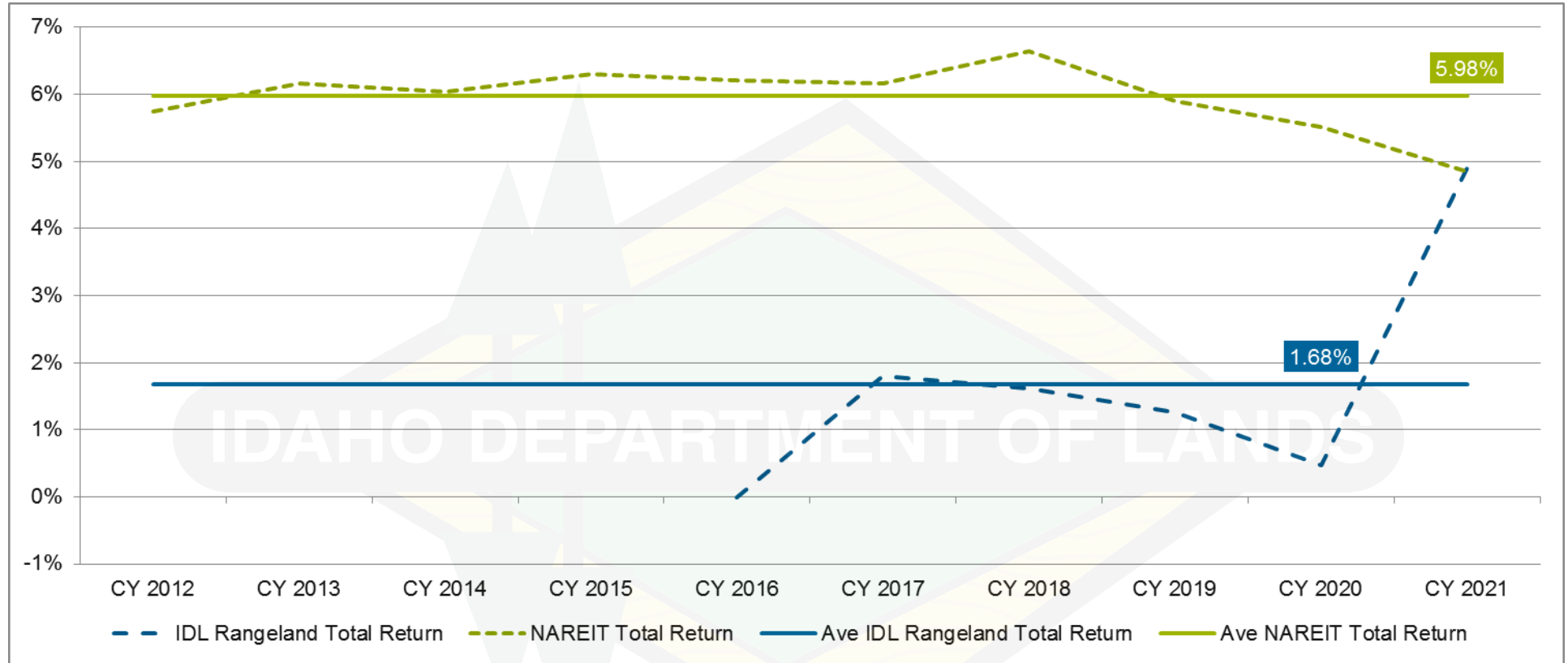


- Historical average Idaho rangeland market value change was 0.66%
 - Appreciation only occurred in CY 2021 when the appraisal was performed
- Appreciation at the historical rate of inflation was not calculated
 - Rangeland appreciation at the historical inflation rate would have been substantially higher than historical appreciation so did not seem reasonable
- 3.93% increase in CY 2021 was due to revaluation

Note: calendar years used so that all of calendar year 2021 data can be shown, Sources: IDL, NCREIF, NAREIT, Callan

Rangeland

Historical Total Return



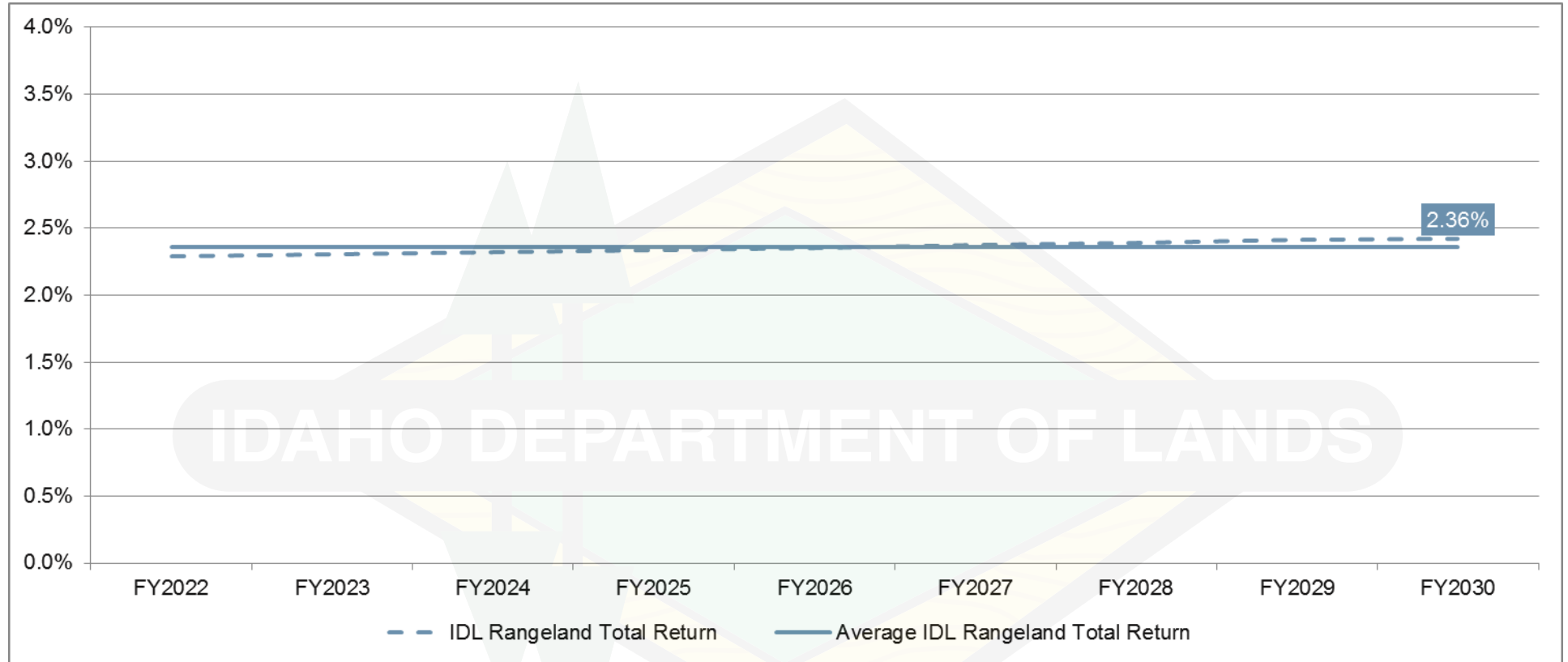
- Historical average IDL rangeland total return was 1.68%
 - The average total return was dominated by a 3.93% capital appreciation CY 2021
- The average total return for NAREIT was 5.98%

Note: calendar years used so that all of calendar year 2021 data can be shown

Sources: IDL, NAREIT, Callan

Rangeland

Forecast Total Return

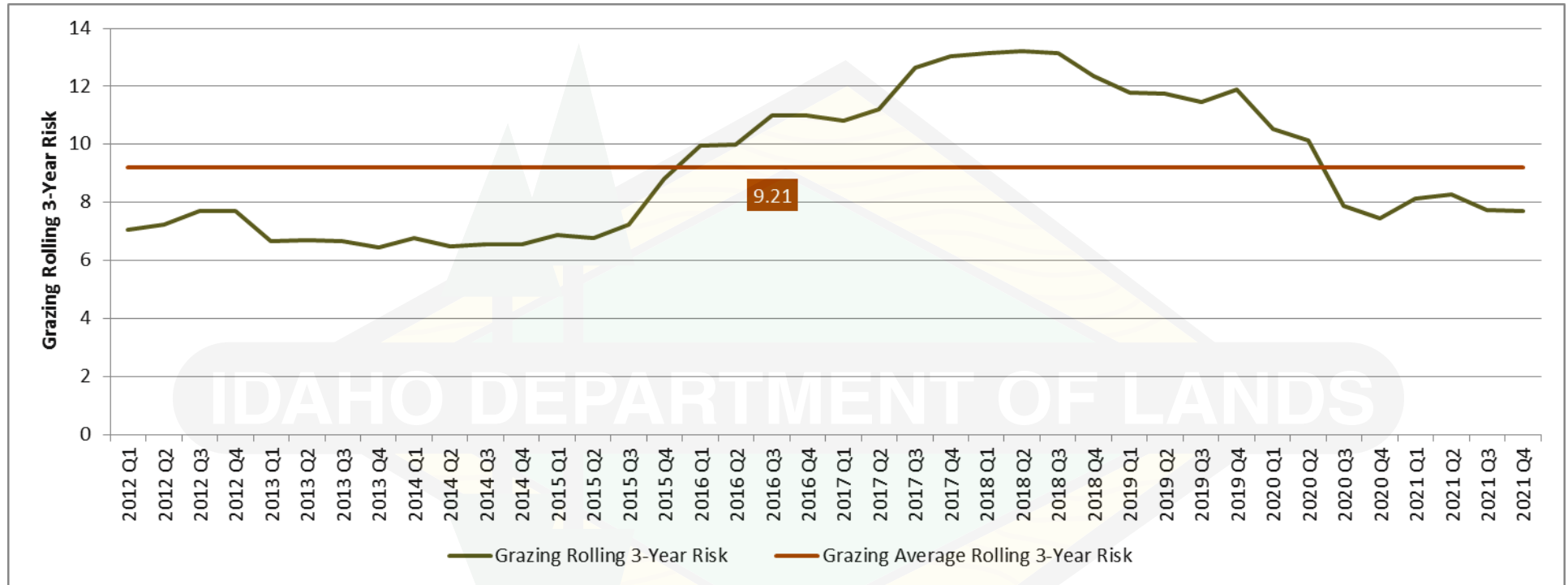


- The average total return forecast assuming appreciation is 2.36%
 - Historical appreciation of 0.66% rate
 - Yield reflects forecast revenues
- No contributions were assumed
- The forecast is low compared to 3.50% forecast calculated in 2014

Sources: IDL, Callan

Rangeland

Risk Proxy



- Proxy consists of estimates of the volatile components of the grazing fee calculation
 - Beef Cattle Price Index estimated by the USDA National Agricultural Statistics Service Livestock Index for Price Received
 - Prices Paid Index estimated by the USDA National Agricultural Statistics Service Livestock Index for Price Paid
- Significant increase in risk (due mainly to elevated risk in 2016—2020)
 - 2014: 6.75%
 - 2022: 9.20%

Historical and Forecast Returns

Summary

	Yields			Appreciation		Uncompounded Total Return					
	Historical	Low Revenue	High Revenue	Historical	Modified Historical	Historical	Modified Historical	Low Revenue	High Revenue	2022	2014
IDL Timberland	3.96	2.79	4.22	3.60	2.79	7.56	6.61	5.04	6.47	6.25	6.25
NCREIF PNW Timber	3.59	n/a	n/a	4.41	4.41	8.15	8.15	n/a	n/a	n/a	n/a
IDL Rangeland	1.02	1.59	1.70	0.66	n/a	1.68	n/a	2.36	n/a	2.35	3.50
NAREIT	3.73	n/a	n/a	n/a	n/a	5.98	5.98	n/a	n/a	n/a	n/a

● Yields

- Forecast timberland yields bookend historical yield for IDL timberland, NCREIF Pacific Northwest Timber and NAREIT
- Average of forecast timberland high and low revenue yields is 3.51%
- Forecast rangeland yields are higher than historical but still less than 2%
- Average of forecast rangeland high and low revenue yields is 1.65%

● Appreciation

- Average historical timberland appreciation ranged from 2.79% to 3.60%
- Midpoint of historical timberland appreciation calculations was 3.20%, below the NCREIF Pacific Northwest Timber average of 4.41%
- Rangeland appreciation has been well below 1%

● Total Returns

- Historical timberland 7.56% return was consistent with the 8.15% return for NCREIF Pacific Northwest Timber
- The modified historical timberland return of 6.62% is close to the 2014 forecast of 6.25%
- The average for timberland high and low forecast revenue total return is 5.76% which is 50 bps below the 2014 forecast
- The rangeland forecast revenue return is 2.36% which is 114 bps below the 2014 forecast of 3.50%

- The forecast 2022-2031 returns for timberland and rangeland are 6.25% and 2.35% respectively

Sources: IDL, NCREIF, NAREIT, Callan

Forecasts

Returns and Risks

	2022					2014				Differences	
Asset Classes	1-Year Return	10-Year Return	Yield	Standard Deviation	Sharpe Ratio	1-Year Return	10-Year Return	Standard Deviation	Sharpe Ratio	10-Year Return	Standard Deviation
Broad US Equity	8.00	6.60	1.70	17.95	0.379	9.15	7.60	19.00	0.380	-1.00	-1.05
Global ex-US Equity	8.70	6.80	2.55	20.70	0.362	9.80	7.80	21.45	0.360	-1.00	-0.75
Core US Fixed	1.80	1.75	2.90	3.75	0.160	3.05	3.00	3.75	0.280	-1.25	0.00
Core Real Estate	6.60	5.75	4.40	14.20	0.380	7.35	6.15	16.50	0.320	-0.40	-2.30
IDL Timberland	6.25	5.60	3.50	12.70	0.398	6.25	5.65	12.00	0.350	-0.05	0.70
IDL Rangeland	2.35	1.95	1.65	9.20	0.125	3.50	3.30	6.75	0.220	-1.35	2.45
Cash Equivalents	1.20	1.20	1.20	0.90	0.000	2.00	2.00	0.90	0.000	-0.80	0.00
Inflation	2.25	2.25	0.00	1.60	0.656	2.50	2.50	1.50	0.330	-0.25	0.10

- Returns have fallen for all non-IDL asset classes from 2014
- Bond returns have fallen the most
 - Low current yields and expected capital depreciation as rates rise
- US and non-US public equity expected returns have each fallen by 1%
 - High current valuations
 - Low current yields
 - Moderate earnings growth
- 10-year compound returns for IDL lands are modestly lower than in 2014
 - 1- year return for timberland is the same as Callan 2014 but risk estimate increased bringing down compound return 5 bps
 - 1- year return for rangeland is 40 bps lower than the Callan 2014
 - The risk estimate for rangeland increased based on increased proxy risk bringing down compound return 60 bps

Forecasts

Correlations

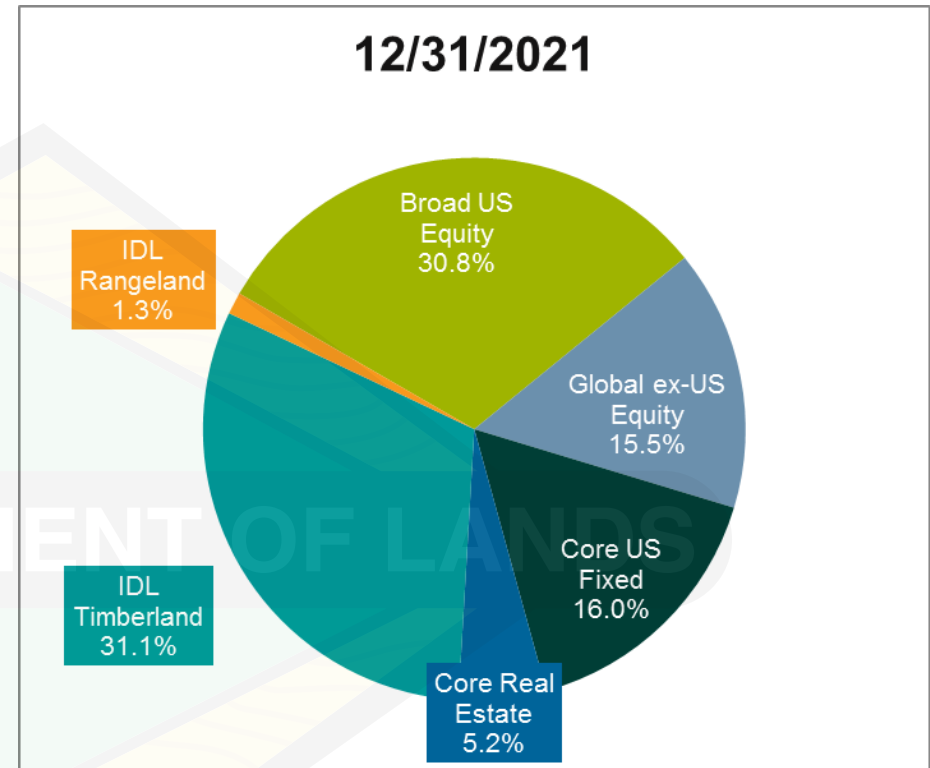
		1	2	3	4	5	6	7	8
1	Broad US Equity	1.000	0.817	-0.104	0.642	0.163	-0.006	-0.064	-0.013
2	Global ex-US Equity	0.817	1.000	-0.123	0.605	0.136	0.057	-0.104	0.011
3	Core US Fixed	-0.104	-0.123	1.000	-0.035	-0.206	-0.005	0.150	-0.250
4	Core Real Estate	0.642	0.605	-0.035	1.000	-0.085	0.066	0.000	0.100
5	IDL Timberland	0.163	0.136	-0.206	-0.085	1.000	0.188	-0.066	0.016
6	IDL Rangeland	-0.006	0.057	-0.005	0.066	0.188	1.000	-0.033	0.272
7	Cash Equivalents	-0.064	-0.104	0.150	0.000	-0.066	-0.033	1.000	0.050
8	Inflation	-0.013	0.011	-0.250	0.100	0.016	0.272	0.050	1.000

- Correlations for all asset classes except timberland and rangeland are standard Callan correlation forecasts
- Correlations for timberland and rangeland are based on the same proxies as those used to estimate standard deviation
- Asset classes with low or negative correlations to equities are the most powerful risk reducers, tradeoff between contribution to returns and risk reduction must be considered

12/31/21 Actual Asset Mix

Structure and Forecast Performance

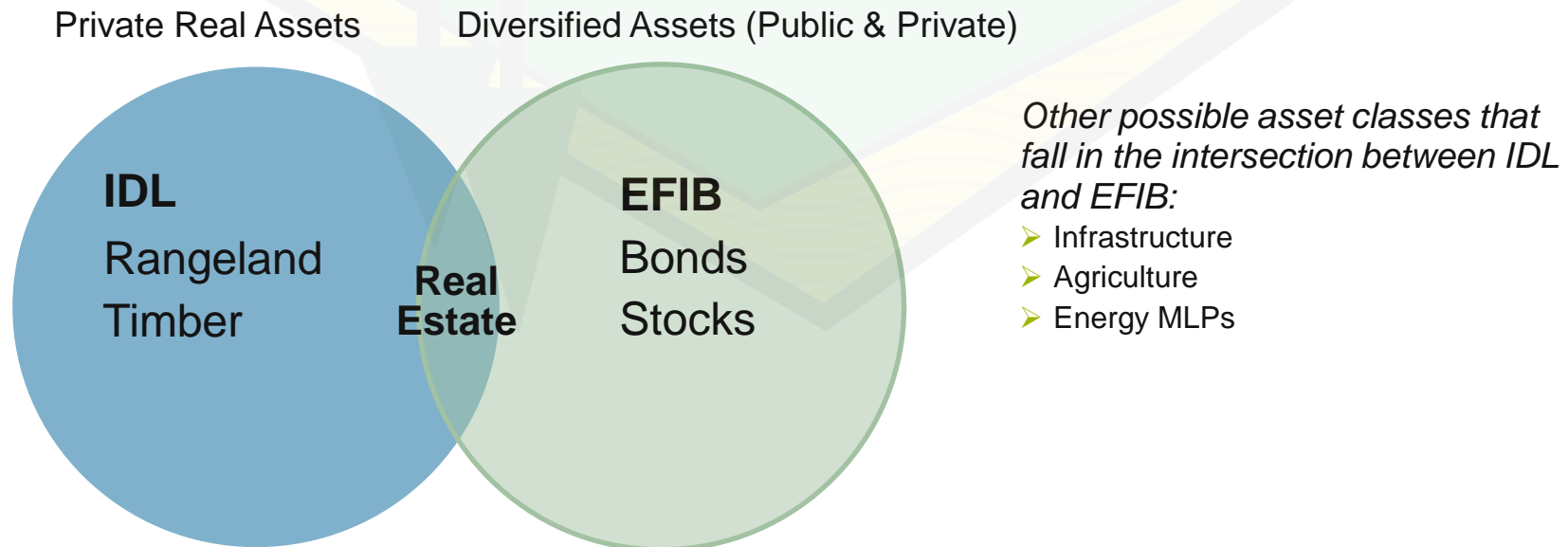
Asset Classes	12/31/2021
Broad US Equity	30.7%
Global ex-US Equity	15.5%
Core US Fixed	16.0%
Core Real Estate	5.2%
IDL Timberland	31.0%
IDL Rangeland	1.3%
Cash Equivalents	0.3%
Totals	100.0%
1-Year Return	6.41%
10-Year Compound Return	6.05%
Yield	2.72%
Risk (Standard Deviation)	10.11%
Sharpe Ratio	0.515



- 12/31/21 asset mix is a combination of EFIB asset and most IDL assets
 - IDL assets include timberland and rangeland
 - IDL assets exclude farmland, commercial real estate, residential real estate and the Land Bank
- The forecast 10-year compound return is 6.05% with a standard deviation of 10.11%
 - 10-year compounded return for a comparable portfolio in 2014 was 6.69% or 64 bps higher than the current forecast
 - Standard deviation was 9.28% in 2014 or 83 bps lower

Asset Allocation Framework

- Callan did not include allocation ranges in this analysis as they imply the ability to move assets in a frictionless way
- Investments in timber and rangeland, while good diversifiers to the risk assets, must meet a minimum expected return hurdle to be accretive
 - IDL has struggled to deploy assets in the land portfolio
- From the Total Endowment point of view, asset classes should be evaluated on their role regardless of their “ownership” (EFIB or IDL) – the appropriateness of the asset class/strategy and the efficiency of implementation are the primary considerations
- IDL has been exploring ways to improve the return from rangeland by pursuing leasing land to cell tower and wind turbine operators (adds to income without potential capital appreciation)



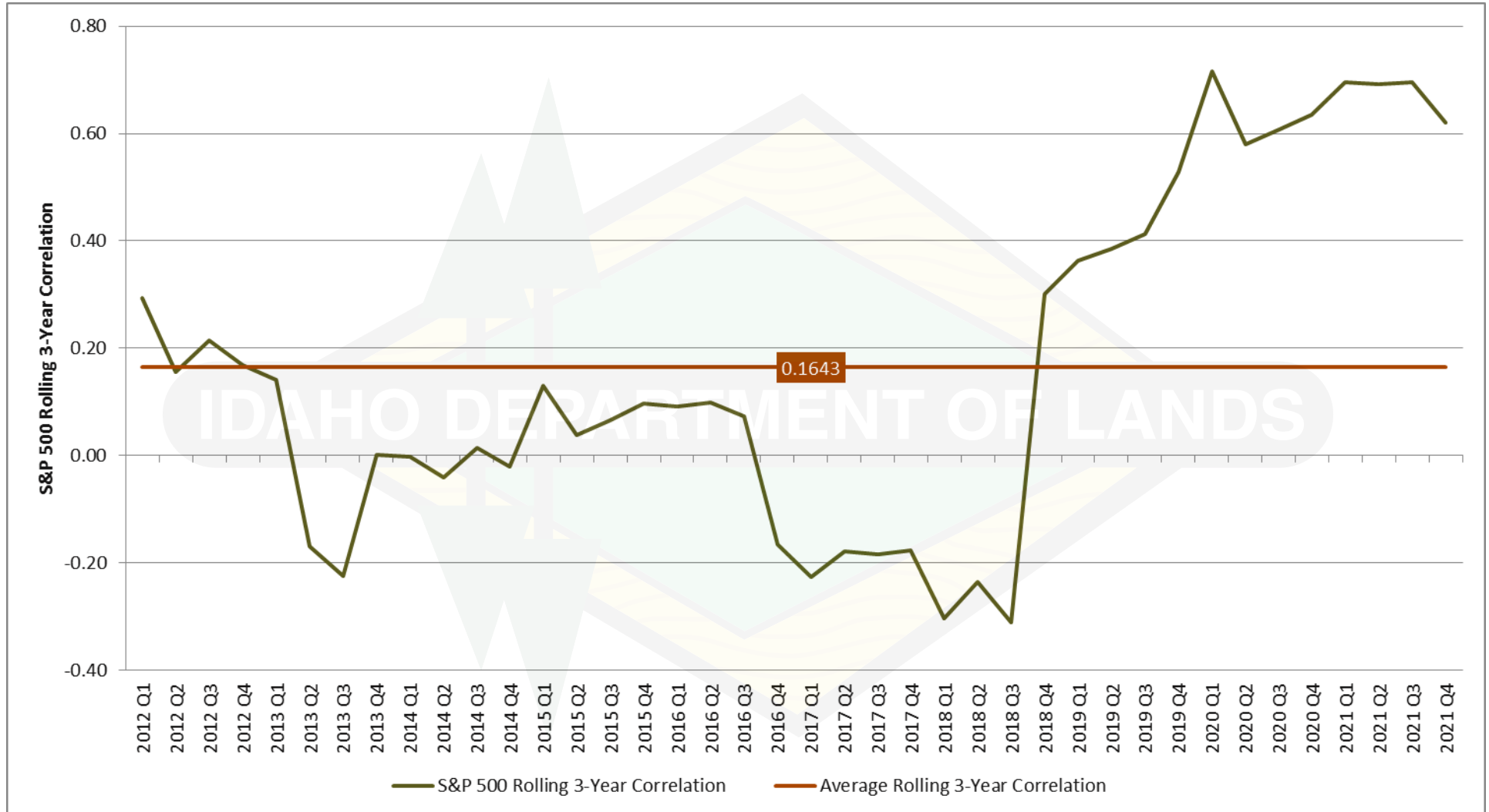
Appendix: Historical Correlations

The logo of the Idaho Department of Lands is a large, light gray watermark in the background. It features a stylized mountain range on the left, a central diamond shape with a green field and yellow wavy lines representing water or land, and a horizontal bar across the middle containing the text "IDAHO DEPARTMENT OF LANDS" in white capital letters.

IDAHO DEPARTMENT OF LANDS

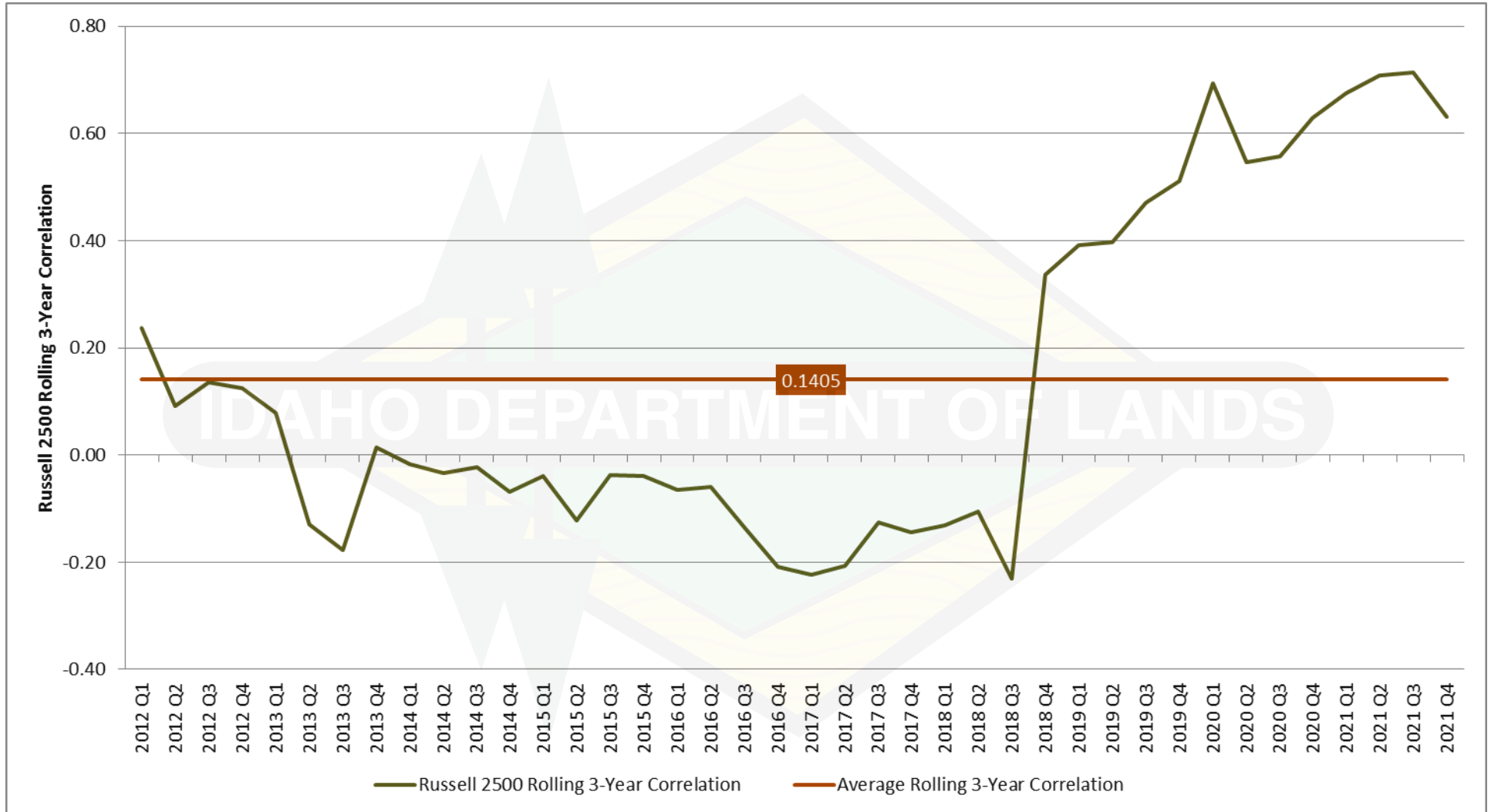
Timberland Correlations

Large Cap US Equity (S&P 500)



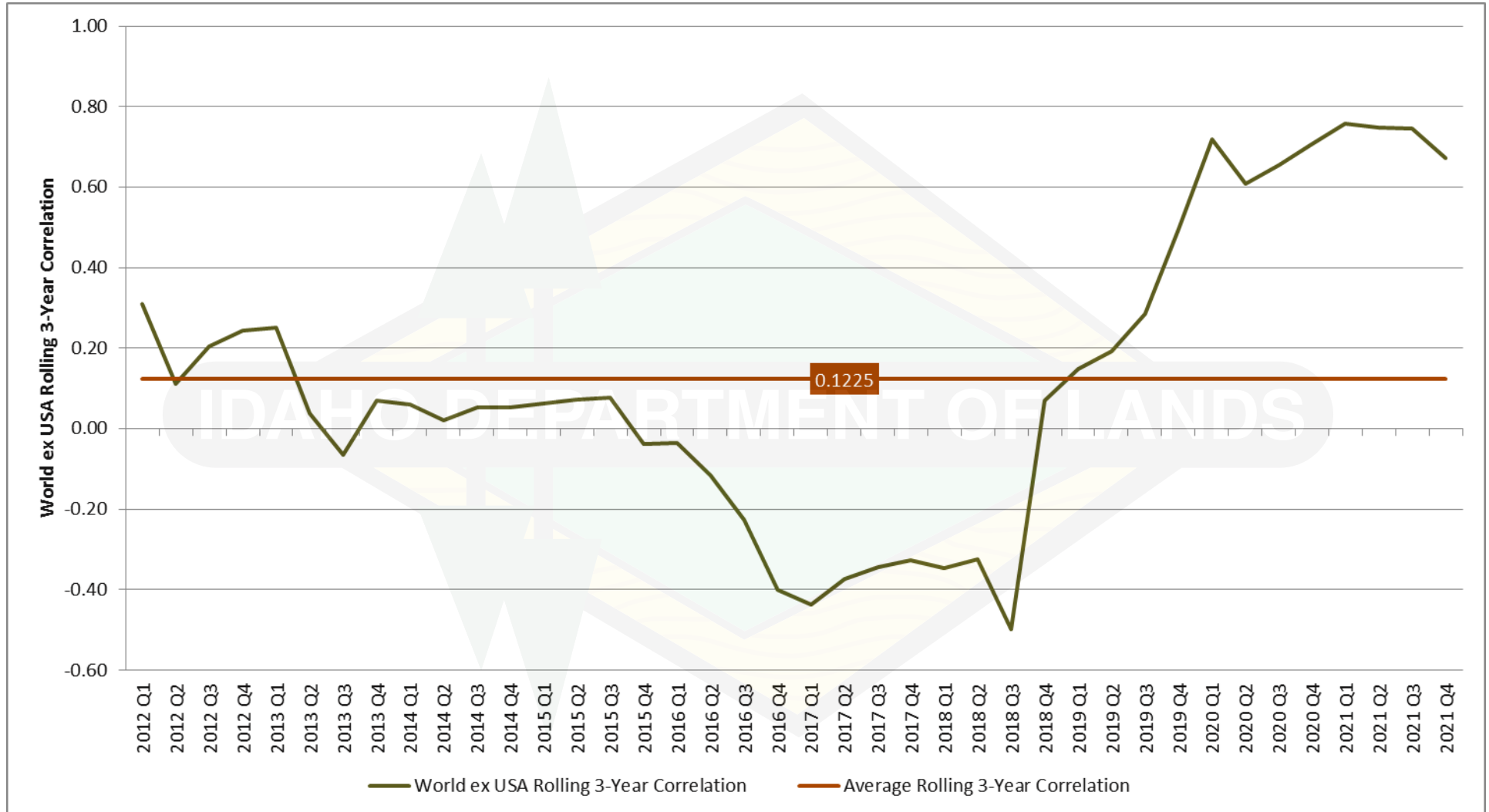
Timberland Correlations

Small/Mid Cap US Equity (Russell 2500)



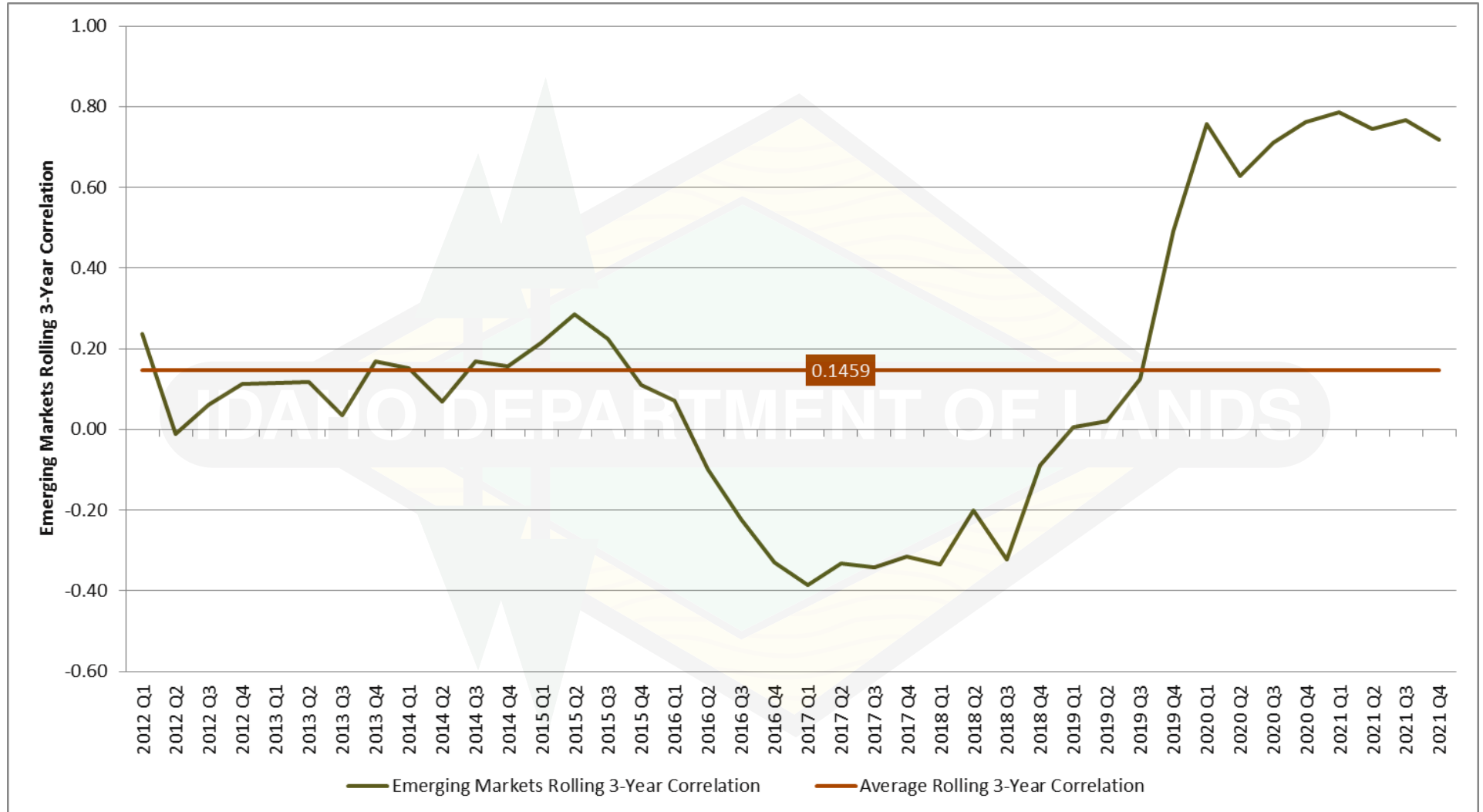
Timberland Correlations

Developed Non-US Equity (MSCI World ex USA)



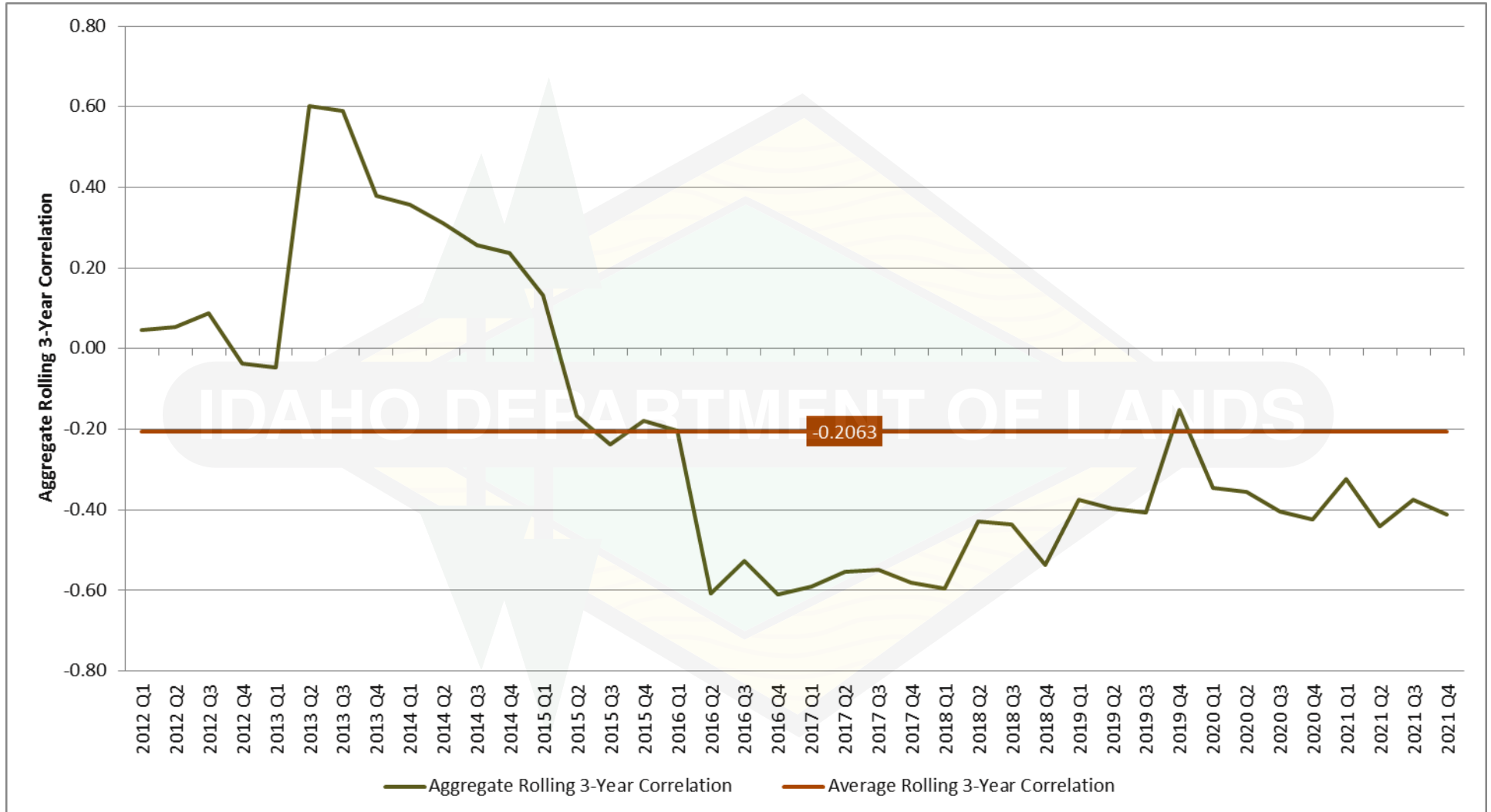
Timberland Correlations

Emerging Markets Equity (MSCI Emerging Markets)



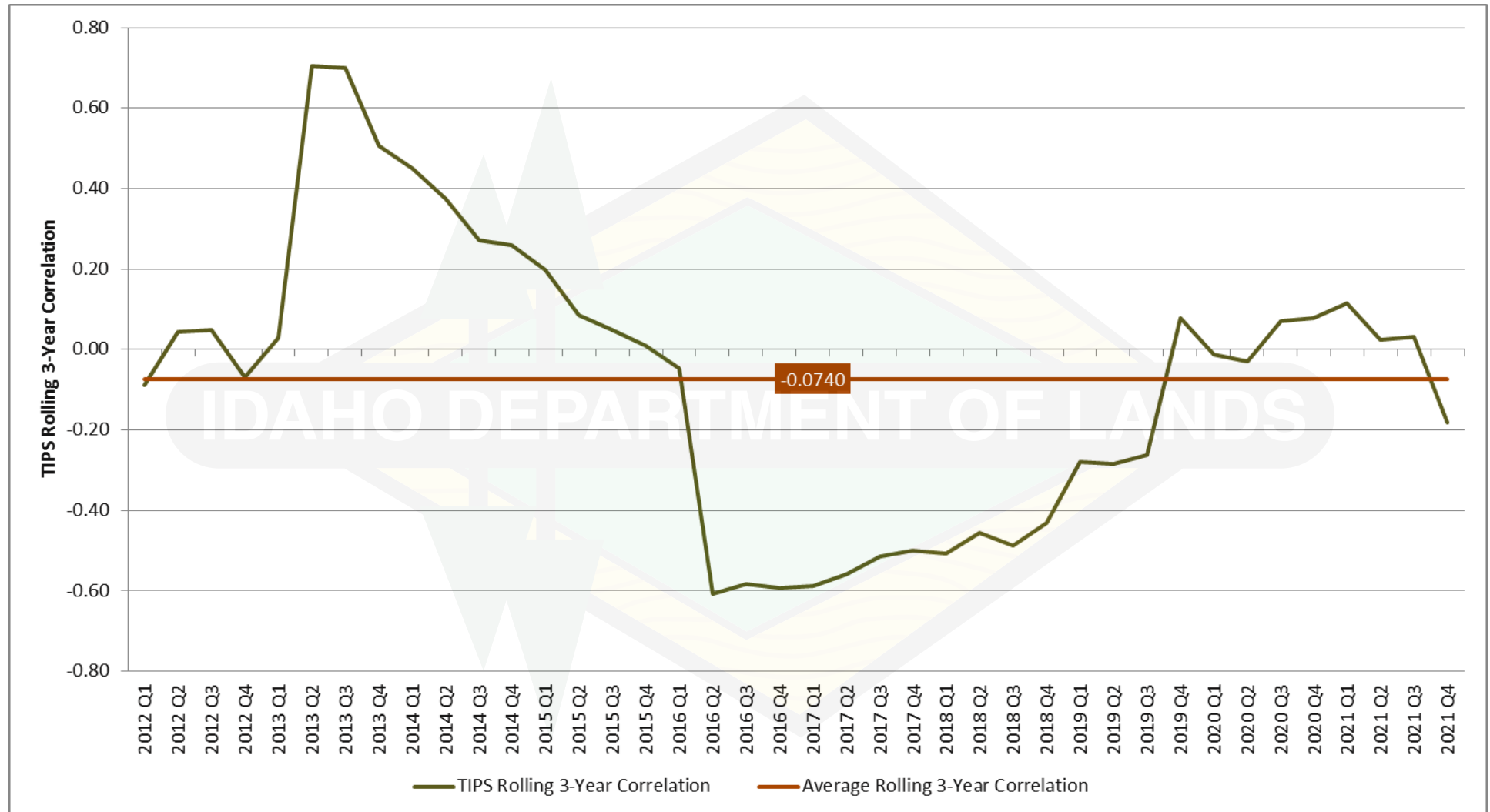
Timberland Correlations

Core US Fixed Income (Bloomberg Aggregate)



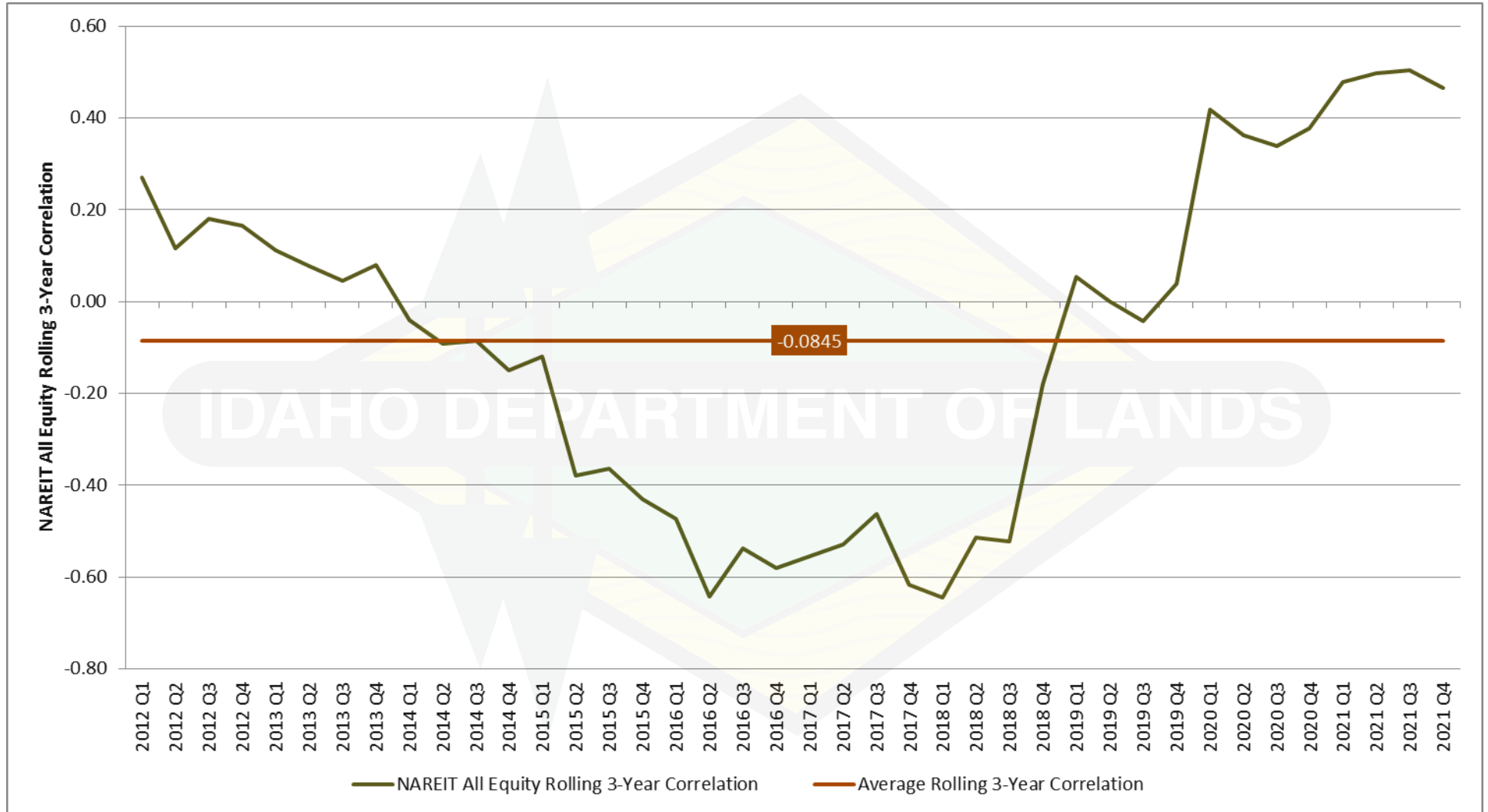
Timberland Correlations

US Treasury Inflation Protected Securities (Bloomberg TIPS)



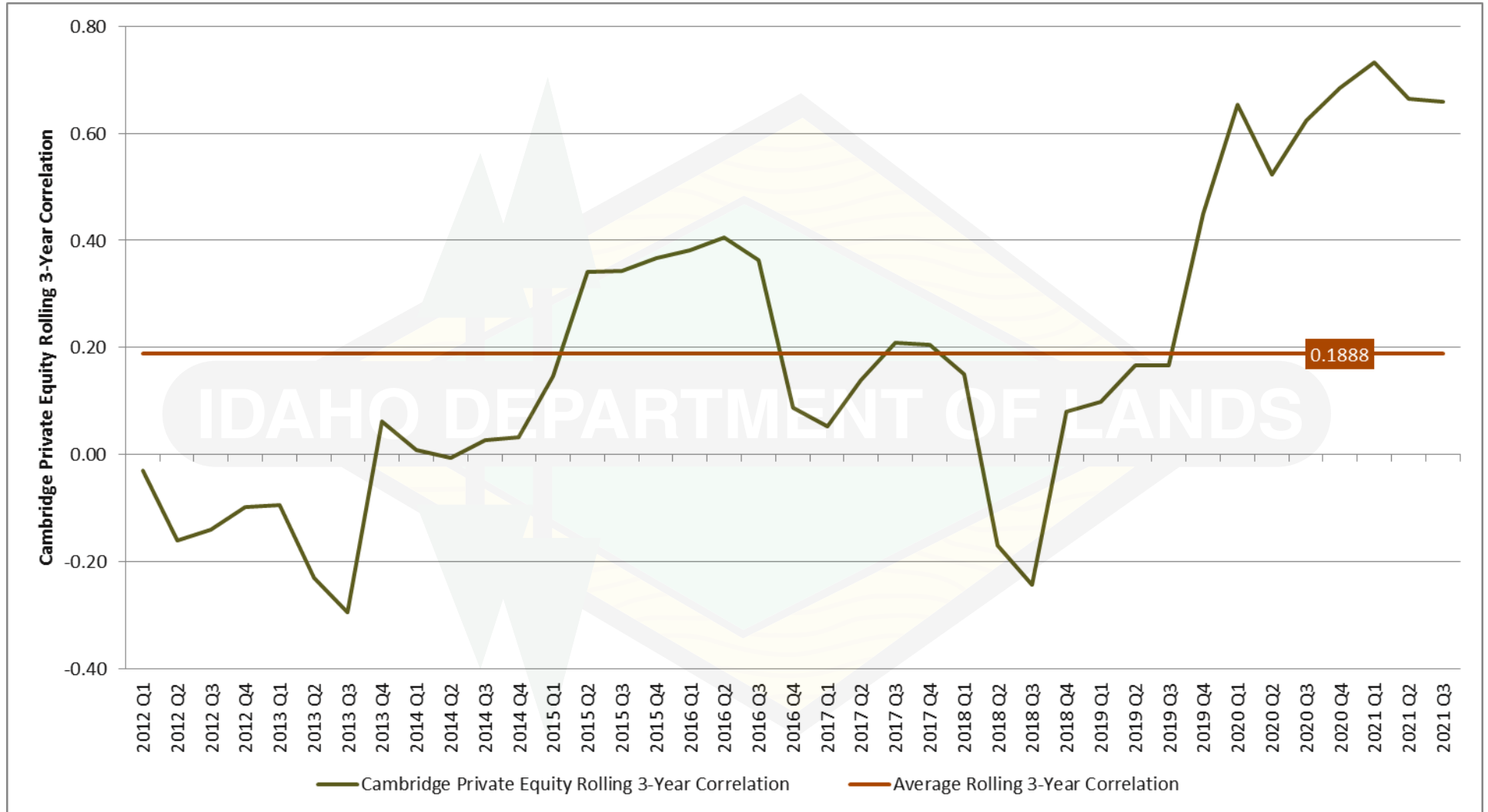
Timberland Correlations

US REITs (NAREIT All Equity)



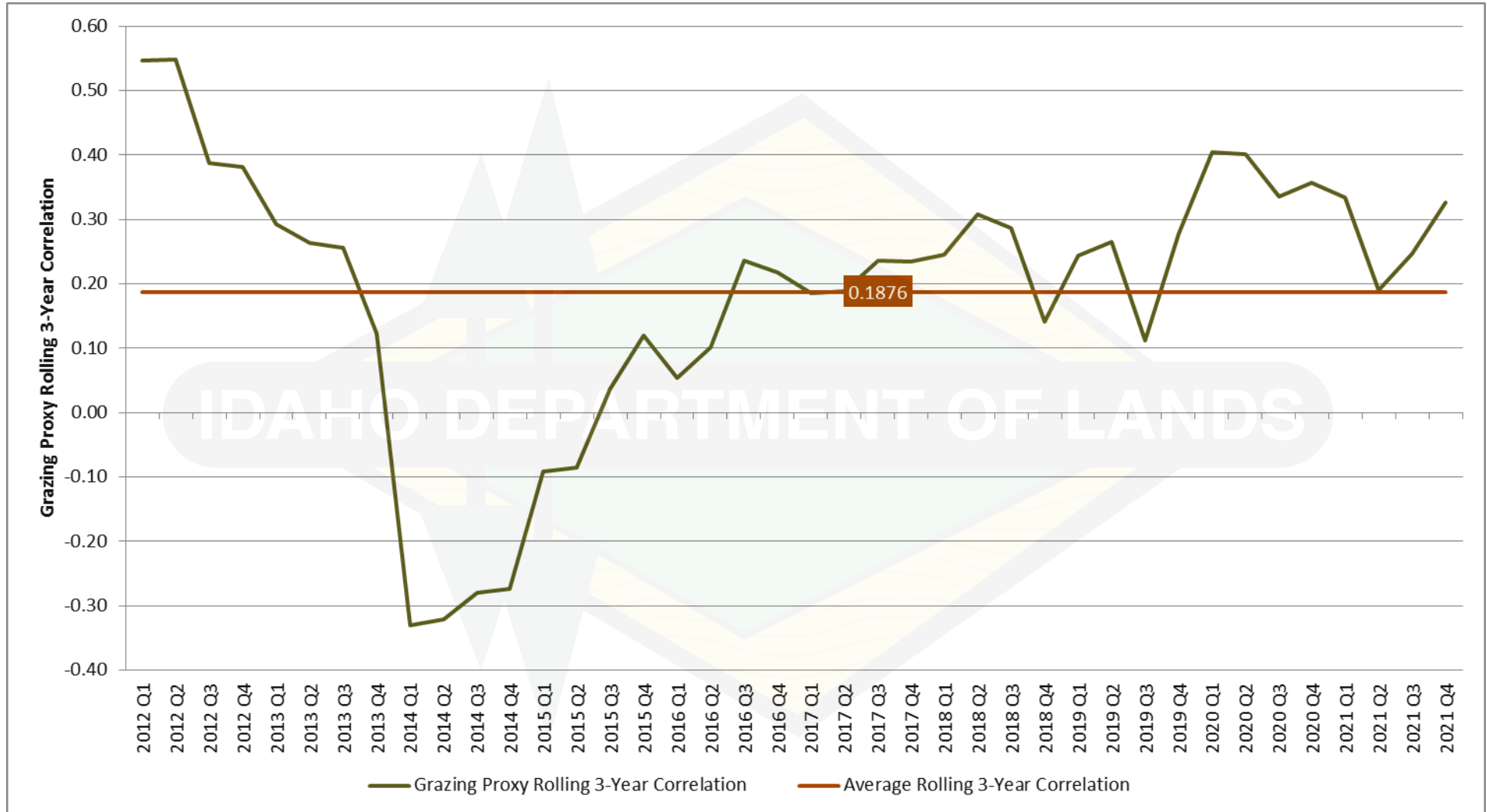
Timberland Correlations

Private Equity (Cambridge Private Equity)



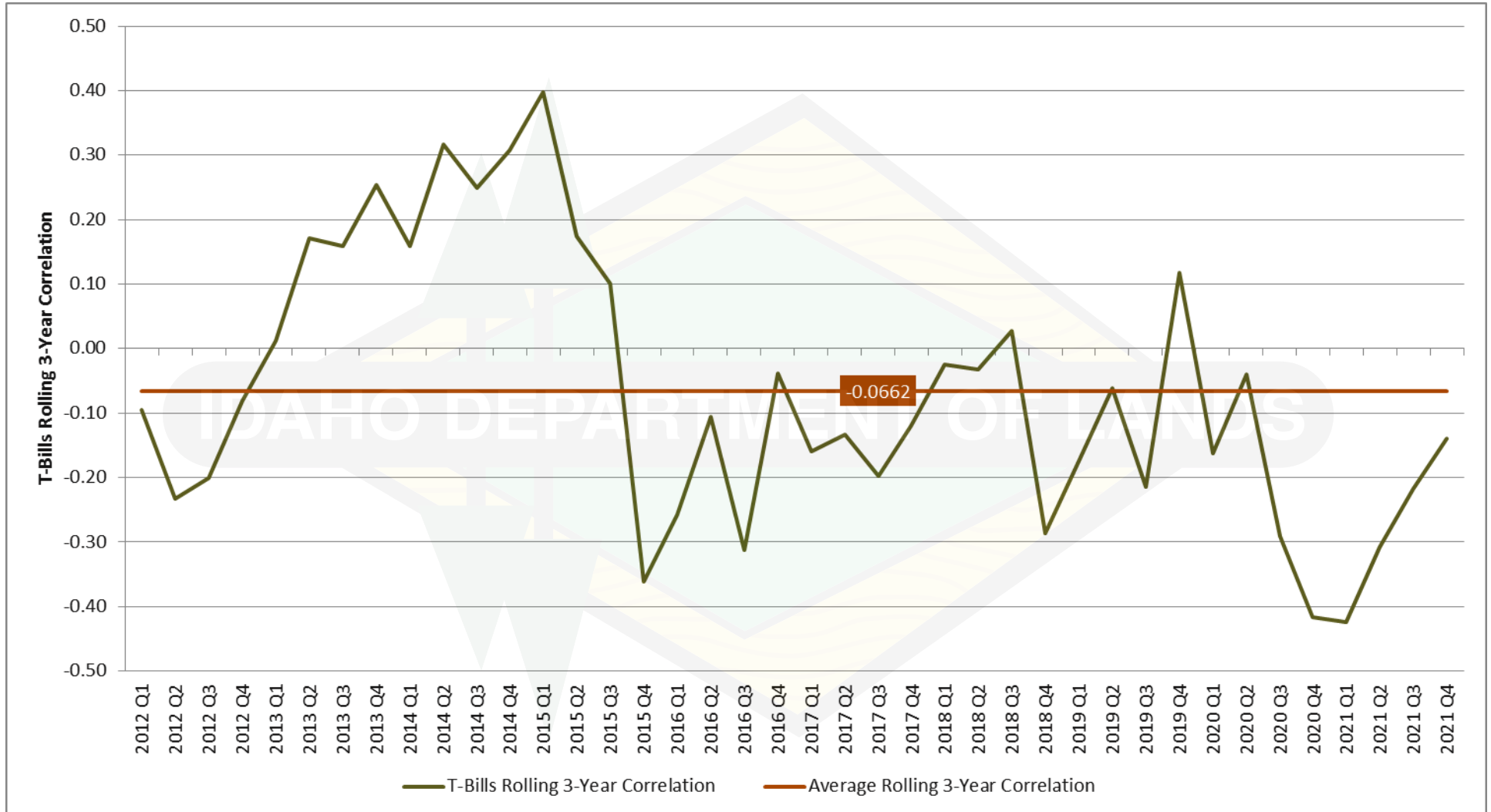
Timberland Correlations

Rangeland (Rangeland Proxy)



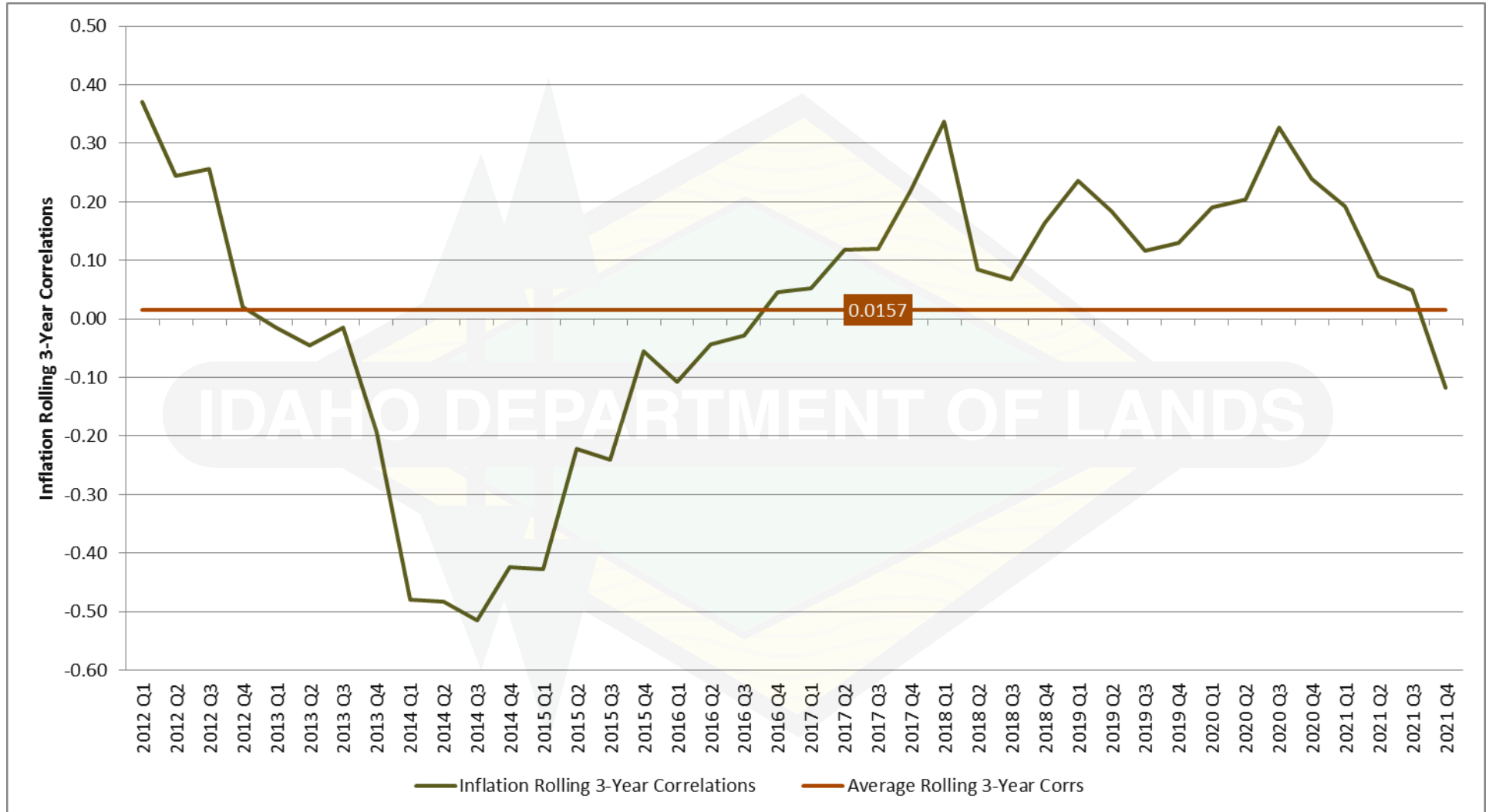
Timberland Correlations

90-Day T-Bills



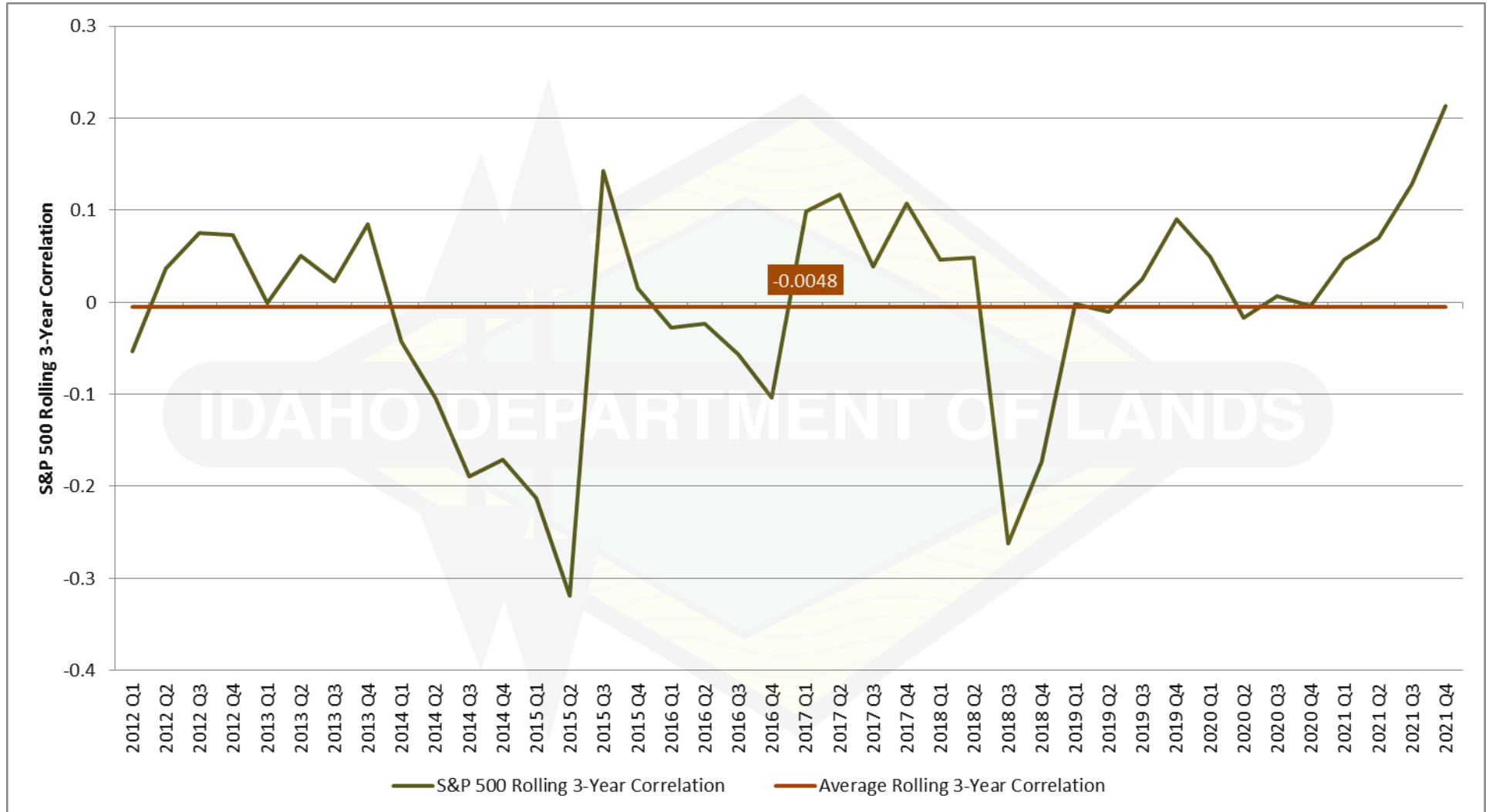
Timberland Correlations

Inflation (Consumer Price Index)



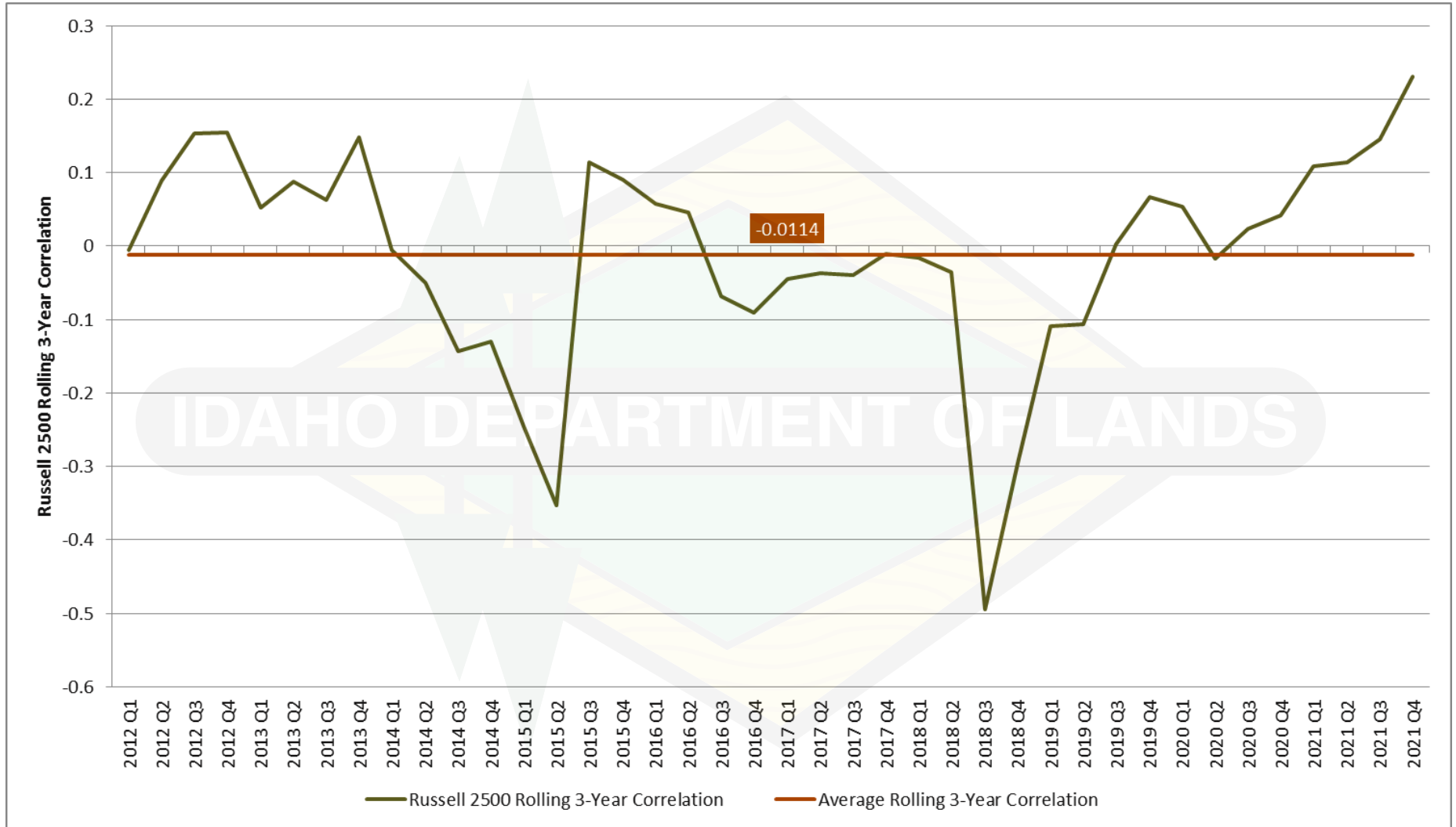
Rangeland Correlations

Large Cap US Equity (S&P 500)



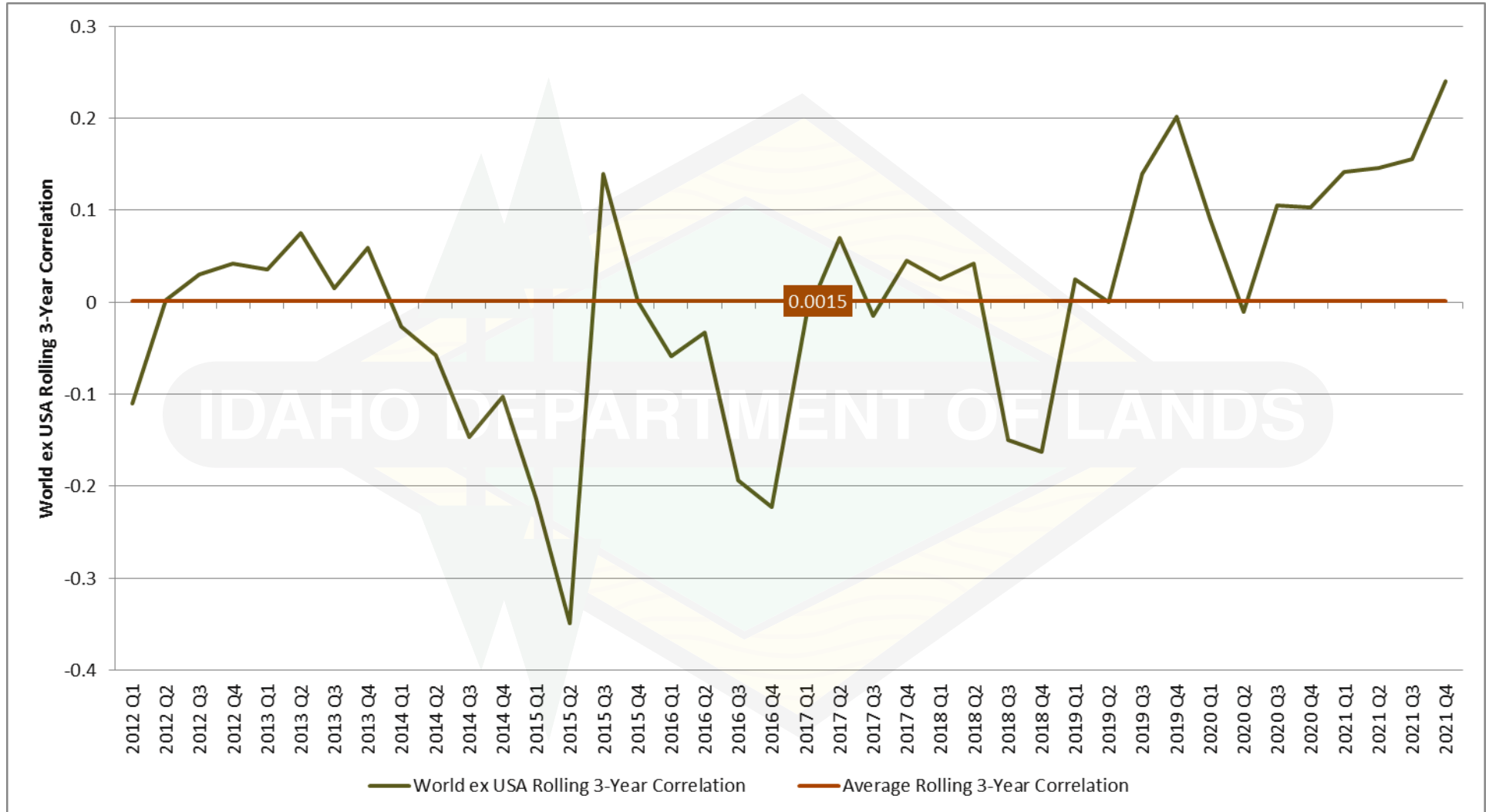
Rangeland Correlations

Small/Mid Cap US Equity (Russell 2500)



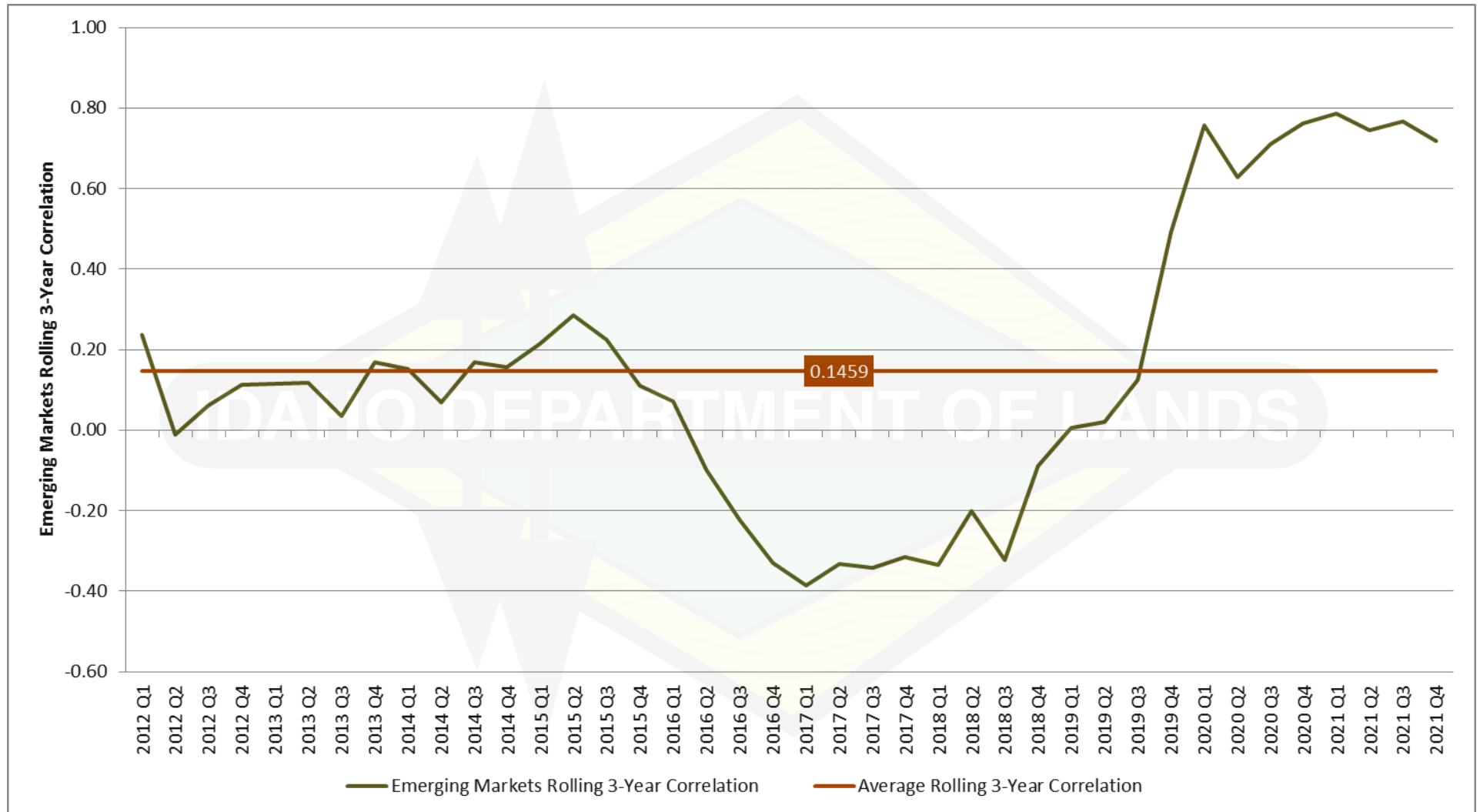
Rangeland Correlations

Developed Non-US Equity (MSCI World ex USA)



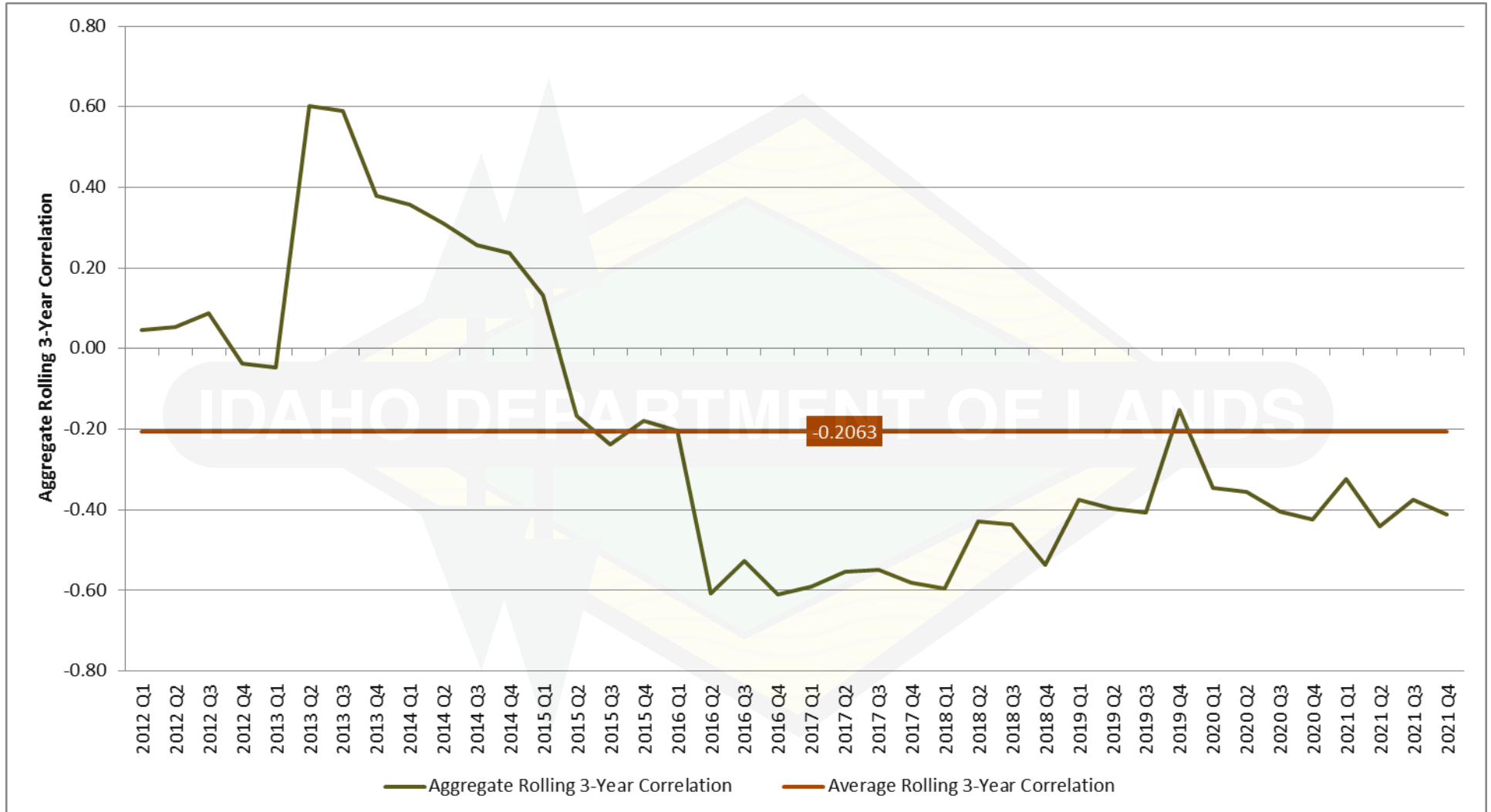
Rangeland Correlations

Emerging Markets Equity (MSCI Emerging Markets)



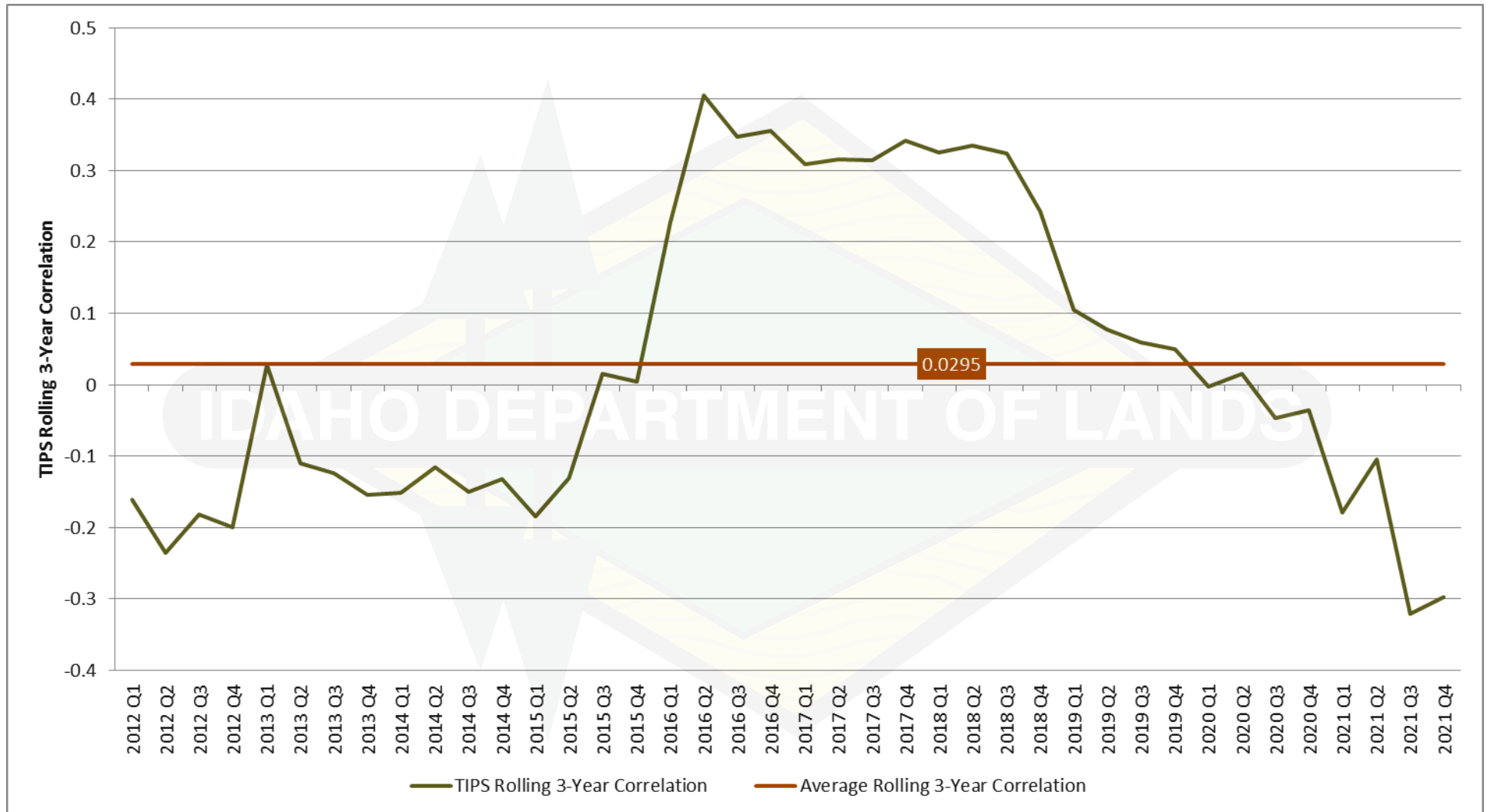
Rangeland Correlations

Core US Fixed Income (Bloomberg Aggregate)



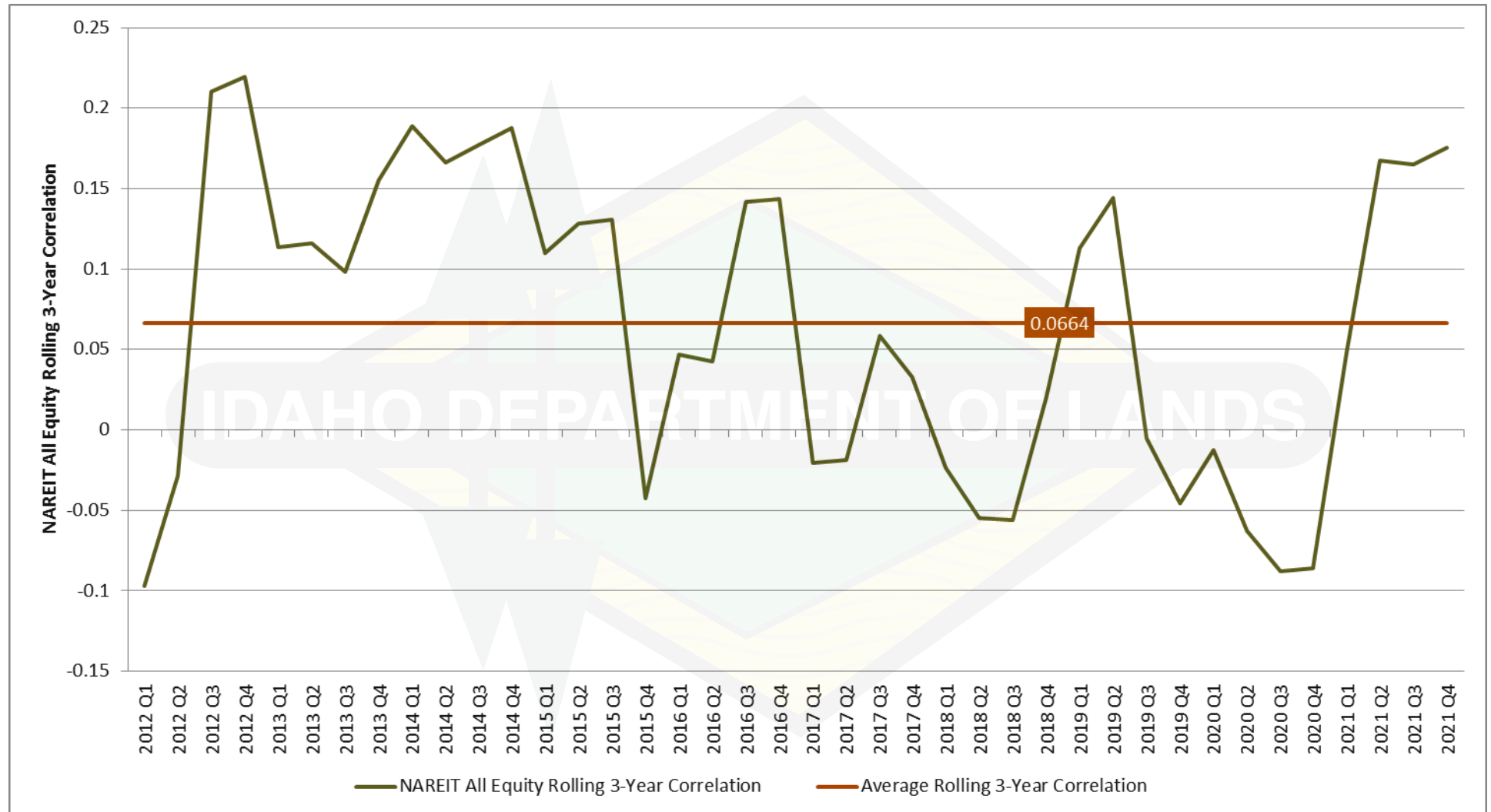
Rangeland Correlations

US Treasury Inflation Protected Securities (Bloomberg TIPS)



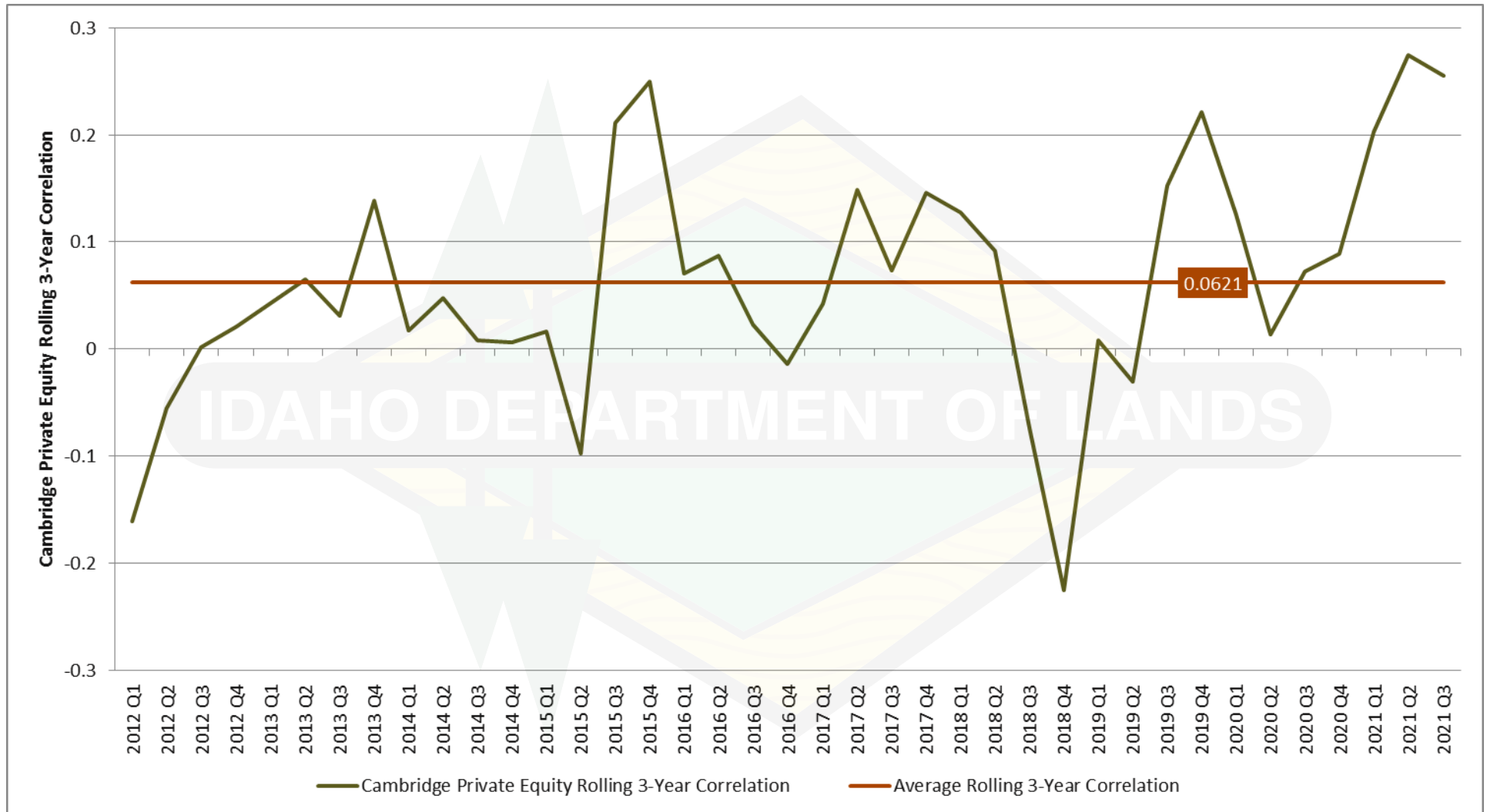
Rangeland Correlations

US REITs (NAREIT All Equity)



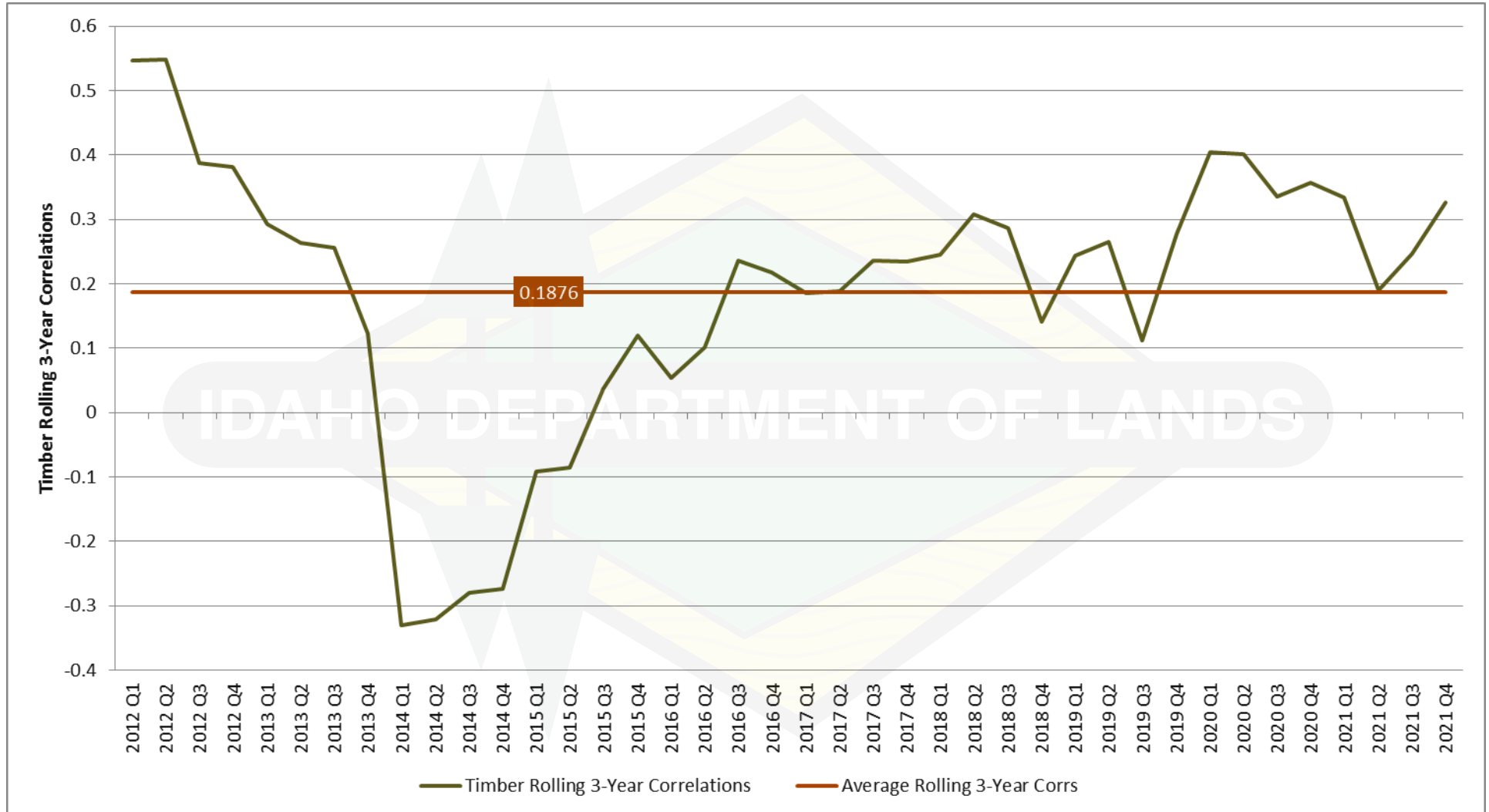
Rangeland Correlations

Private Equity (Cambridge Private Equity)



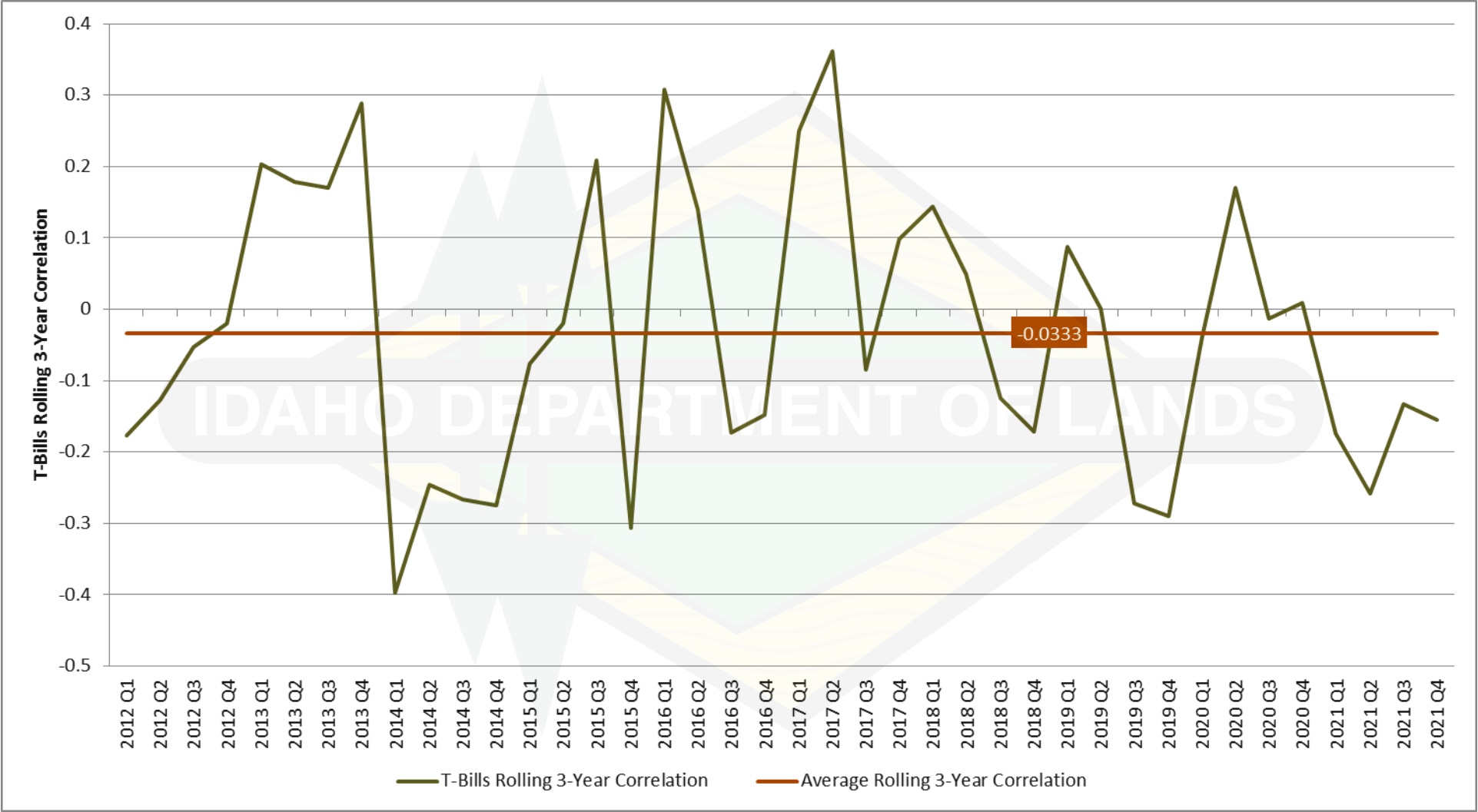
Rangeland Correlations

Timberland (Timberland Proxy)



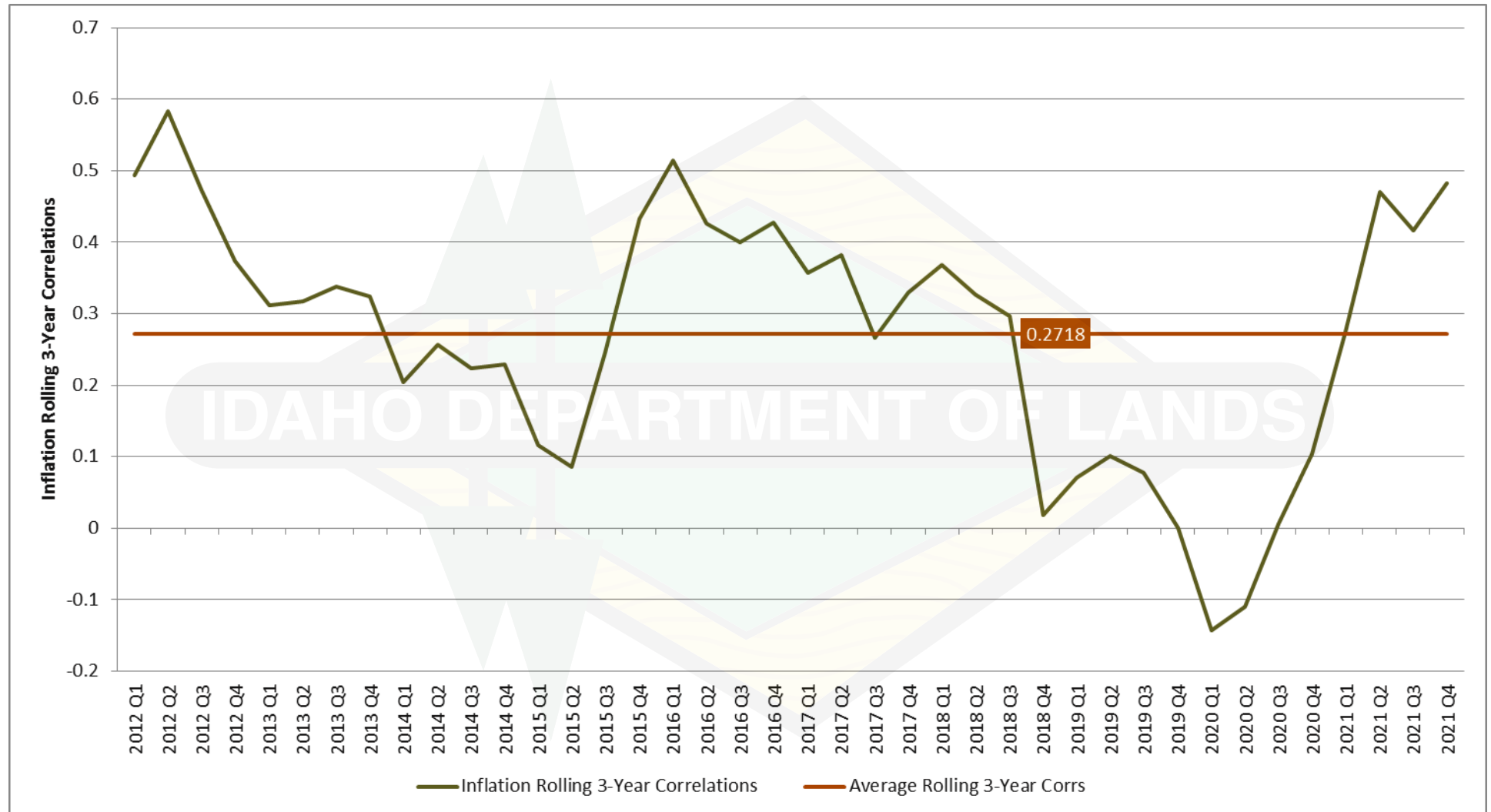
Rangeland Correlations

90-Day T-Bills



Rangeland Correlations

Inflation (Consumer Price Index)



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STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Regular Agenda

Subject

Transfer of Land Bank Funds to Permanent Fund

Question Presented

Shall the Land Board approve the transfer of \$44,242,795 plus accrued interest amount of \$2,893,157 from the Land Bank to the permanent endowment fund?

Background

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

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

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

The Department has reinvested approximately \$49.57 million in five timberland acquisitions totaling over 36,000 acres of productive timberland. Most of the acquired timberland consists of young timber stands that will support increased endowment timber sale volume over time.

As of March 31, 2022, there was a total Land Bank balance of \$152,373,559 (Attachment 1). Funds may remain in the Land Bank for five years before mandatory transfer to the permanent endowment fund. The first mandatory transfer would occur in the first quarter of FY2023. Subsequent mandatory transfers would then follow on a quarterly basis throughout FY2023.

Discussion

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

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

Reinvestment was paused for Land Board review in 2019 and since 2020 real estate has experienced rapid price appreciation. The availability of potential transactions is more limited than in the past. Strong real estate markets and higher and better use land values have made acquisitions of working timberland more difficult. The transaction pipeline does not justify holding the current total Land Bank balance until the mandatory transfers to the permanent endowment fund begin.

Transfer of the Land Bank funds that would expire during FY23 is consistent with current Land Board direction and the constitutional mandate to maximize long-term returns. The proposed transfer would preempt mandatory transfers while maintaining sufficient funds in the Land Bank for potential acquisition of working timberland and/or legal access to existing endowment lands.

The Land Board's Investment Subcommittee is directed, in part, to "Coordinate consideration of investment issues that cross both the endowment fund and endowment lands." The Investment Subcommittee met on June 1, 2022 and approved the Department's recommendation to transfer \$44,242,795 plus interest accrued on that amount from the Land Bank to the permanent endowment fund.

Recommendation

Approve the transfer of \$44,242,795 plus accrued interest amount of \$2,893,157 from the Land Bank to the permanent endowment fund.

Board Action

Attachments

1. March 31, 2022 Land Bank Aging Report

LAND BANK AGING REPORT							
Current Remaining Principal Balance By Quarter Received - As of March 31, 2022							
FY Quarter IN	Public Schools	Agriculture College	Normal Schools	State Hospital South	University of Idaho	All Endowments	FY Quarter EXPIRES
2018-01	\$ -	\$ -	\$ 3,331,000	\$ 4,439,000	\$ -	\$ 7,770,000	2023-01
2018-02	\$ 27,856,166	\$ -	\$ -	\$ 125,500	\$ -	\$ 27,981,666	2023-02
2018-03	\$ -	\$ -	\$ 2,000,712	\$ 829,888	\$ 5,650,029	\$ 8,480,629	2023-03
2018-04	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ 10,500	2023-04
2019-01	\$ -	\$ -	\$ 2,428,000	\$ 1,442,000	\$ -	\$ 3,870,000	2024-01
2019-02	\$ 25,136,124	\$ -	\$ -	\$ -	\$ -	\$ 25,136,124	2024-02
2019-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-03
2019-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-04
2020-01	\$ -	\$ -	\$ 2,582,500	\$ 1,670,000	\$ -	\$ 4,252,500	2025-01
2020-02	\$ 12,793,400	\$ -	\$ -	\$ -	\$ -	\$ 12,793,400	2025-02
2020-03	\$ 866,000	\$ -	\$ -	\$ -	\$ -	\$ 866,000	2025-03
2020-04	\$ 52,134	\$ -	\$ -	\$ -	\$ -	\$ 52,134	2025-04
2021-01	\$ 5,159,720	\$ -	\$ -	\$ -	\$ -	\$ 5,159,720	2026-01
2021-02	\$ 6,595,000	\$ -	\$ -	\$ -	\$ -	\$ 6,595,000	2026-02
2021-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2026-03
2021-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2026-04
2022-01	\$ 1,500,720	\$ -	\$ -	\$ -	\$ -	\$ 1,500,720	2027-01
2022-02	\$ 10,140,720	\$ 23,250,000	\$ -	\$ -	\$ -	\$ 33,390,720	2027-02
2022-03	\$ 9,890,500	\$ -	\$ -	\$ -	\$ -	\$ 9,890,500	2027-03
TOTAL PRINCIPAL REMAINING	\$ 100,000,984	\$ 23,250,000	\$ 10,342,212	\$ 8,506,388	\$ 5,650,029	\$ 147,749,614	

LAND BANK CASH BALANCE (with Interest)	\$ 103,277,583	\$ 23,261,680	\$ 10,893,503	\$ 8,978,327	\$ 5,962,466	\$ 152,373,559
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STATE BOARD OF LAND COMMISSIONERS

June 21, 2022
Regular Agenda

Subject

Upper McKinnon Timber Sale with clearcut harvest units

Questions Presented

Shall the Land Board approve the Upper McKinnon Timber Sale with clearcut harvest units exceeding 100 acres?

Background

At its December 15, 2015 meeting, the Land Board adopted a timber sale governance structure whereby the Idaho Department of Lands (Department) would only present individual proposed timber sales for Land Board approval that fall outside of established Land Board policies. Timber sales with clearcut harvest units exceeding 100 acres are one type of sale to be submitted for approval.

Discussion

The Clearwater Supervisory Area submitted a timber sale in the FY23 plan that has clearcut harvest units exceeding 100 acres in size. The sale area is primarily within other Department ownership that has been previously managed (Attachments 1 and 2). The sale area is located 11 miles northeast of Orofino, Idaho (Attachment 3).

The proposed clearcut harvest in this sale consists of two units, 101 and 102 acres, and is described in detail in Attachment 4. It is characterized by highly defective species (grand fir and Douglas-fir). A high rate of insect and disease issues are currently occurring in most of the stand and needs immediate treatment to capture the highest value. The preferred seral species are a minor component of the stand and are not expected to produce enough cones and seed for natural regeneration. There is also a large component of grass and brush in the understory that would prevent successful natural regeneration. The site will be planted with a mix of seral species, which will be more resilient to the current insect and disease problems. The stands surrounding the sale area managed by the Department have been successfully planted to adequate stocking to maximize return to the beneficiaries.

The sale has been prepared to meet or exceed the Forest Practices Act. The proposed clearcut harvest units are silviculturally and economically justified and were approved by the Timber Management Bureau (Attachment 5). This sale, as proposed, meets the objectives of the Clearwater Area Forest Asset Management Plan.

Recommendation

Approve the Upper McKinnon Timber Sale with clearcut harvest units exceeding 100 acres.

Board Action

Attachments

1. Upper McKinnon Map
2. Upper McKinnon Ownership Map
3. Upper McKinnon Vicinity Map
4. Upper McKinnon Area Clearcut Justification
5. Upper McKinnon Timber Bureau Approval Memo



IDAHO DEPARTMENT OF LANDS

R 03 E

N 38 T

T 38 N




LEGEND
JPW 3/22

-  Sale Boundary
-  Section Lines

Roads

-  Gravel
-  Secondary; Improved Partial Surface
-  New Construction
-  Gate

Streams

-  Small Lakes and Ponds
-  Class II
-  Draw



CR-40-1361 UPPER
MCKINNON

UPPER MCKINNON
SALE MAP

ATTACHMENT 1

N 37 T

T 37 N

Unit 1 CC
102 acres

Unit 2 CC
101 acres

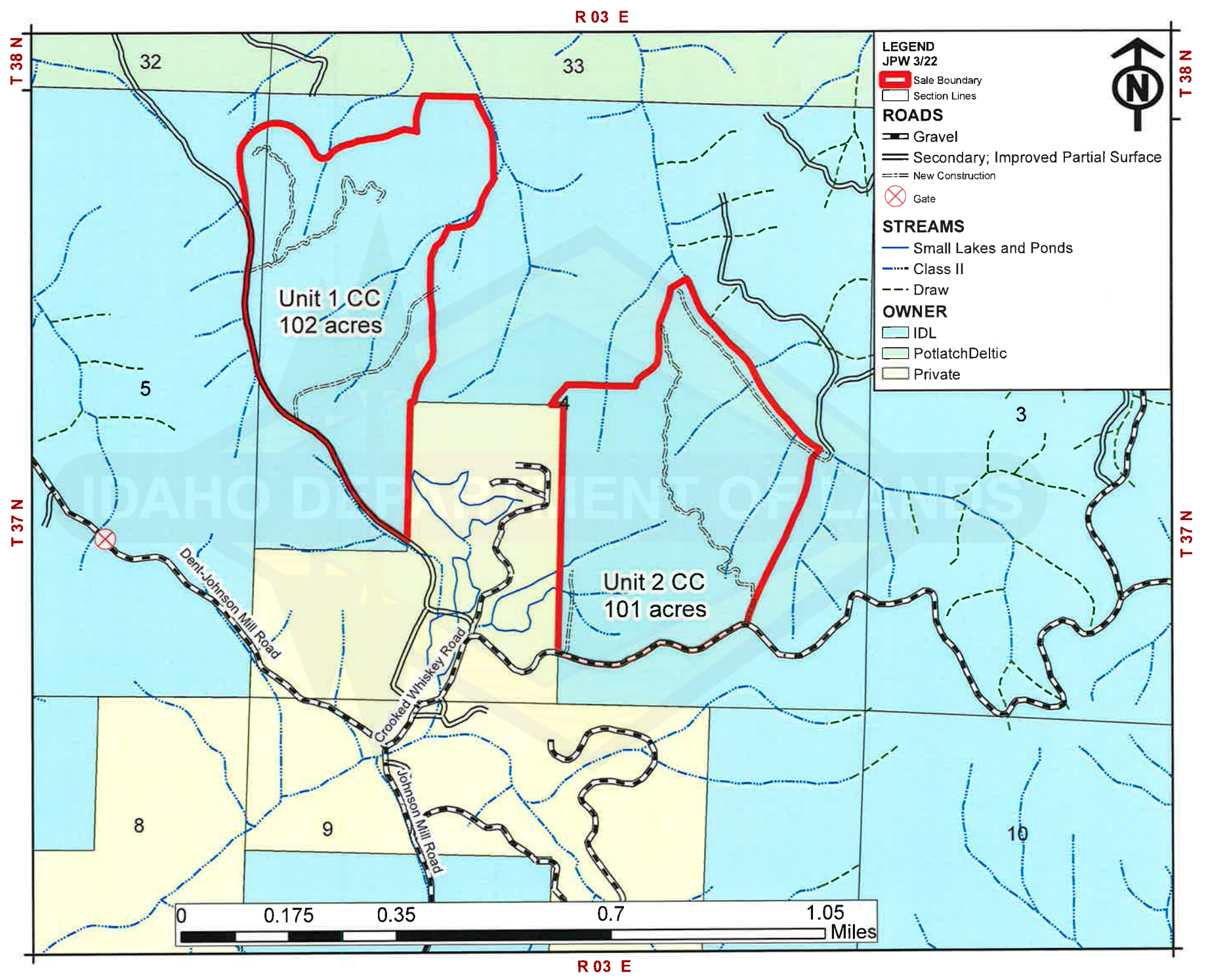


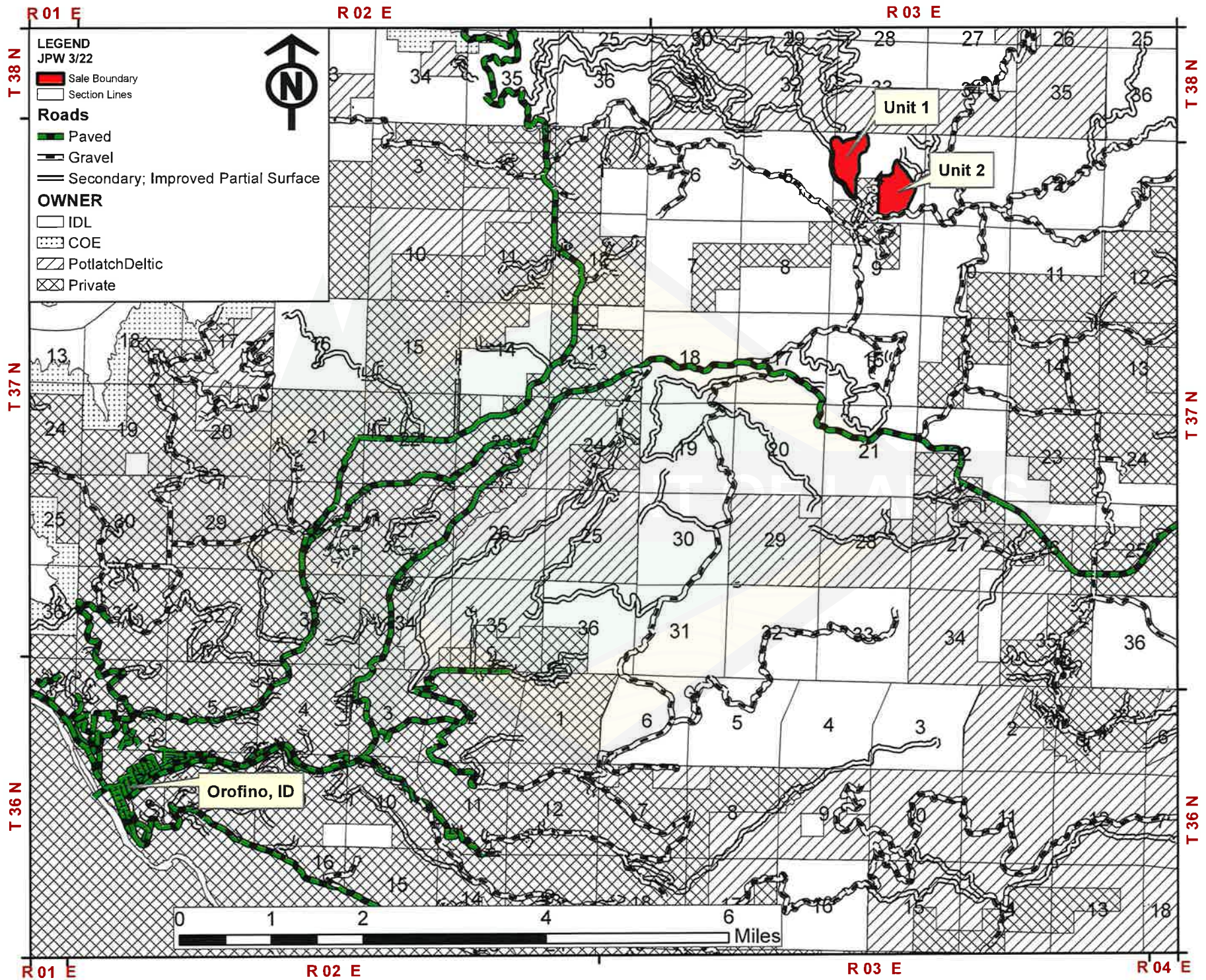
R 03 E

CR-40-1361 UPPER
MCKINNON

UPPER MCKINNON
OWNERSHIP MAP

ATTACHMENT 2





Upper McKinnon Area Clearcut Justification

1. Treatment Description

- a) The prescription for Units 1 and 2 of this proposed timber sale is to clearcut. They are comprised of mature grand-fir and Douglas-fir with a minor component of western red cedar, white pine, western larch, and ponderosa pine mixed in. This stand will be clearcut, assessed for needed site preparation (herbicide/burning treatments) and planted following the harvest.

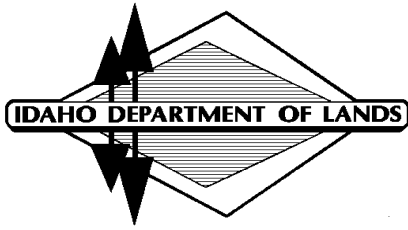
- b) Clearcut Justification:

Clearcuts will help achieve Desired Future Conditions outlined in the Clearwater Area's Forest Asset Management Plan. Clearcut units 1 (102 acres) and 2 (101 acres) combine for a total of 203 acres. These units are economically justified and comply with the Idaho Forest Practices Act. Land Board approval is needed due to the harvest units exceeding 100 acres in size. A Clearcut prescription will be used to harvest the existing stand and re-establish seral and intermediate species on the site. Natural regeneration will not accomplish this for the following reasons:

- 1) The predominant species, grand fir and Douglas-fir are susceptible to insects and diseases that are currently present on the site. Overstory trees are already succumbing to the effects of Armillaria root rot, Schweinitzii root rot, Indian Paint fungus, and Douglas-fir bark beetle. Seed from these overstory trees will not achieve the desired species composition.
- 2) The understory is comprised of thick grass and moderate brush in places, inhibiting the potential for natural regeneration.
- 3) In areas where thick grass and brush are not the case, the understory is showing signs of some of the above listed diseases and insects present in the mature timber.

- c) Forest improvement Activity:

These units will be assessed post-harvest for site preparation needs (spraying/broadcast burning) before being planted. Western larch will be planted throughout both sale units and Douglas-fir will be planted in areas that are not showing signs of Douglas-fir susceptibility/disease. White pine and Ponderosa pine will also be planted in the two units, as they are resistant to the present disease and rot within the stand. There are low elevation areas within the unit where Lodgepole pine, due to its characteristics, would be an ideal candidate for regeneration as these areas are conducive to frost pockets.



FOREST MANAGEMENT BUREAU

3284 W Industrial Loop
Coeur d'Alene, ID 83815
208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Joe Wren, Lands Resource Specialist
Kirk Kottkey, Lands Resource Supervisor

FROM: Jeremy Shawver, Program Manager – Timber Sales

DATE: March 24, 2022

SUBJECT: Upper McKinnon (CR401361) Timber Sale

On February 28th, 2022, David Greenwood, Kyle Seigley, and Jeremy Shawver, Timber Bureau representatives, held a virtual site visit for the Upper McKinnon Timber Sale on the Clearwater Supervisory area via Zoom. This occurred prior to harvesting to discuss silvicultural prescriptions for the two proposed timber sale units. The sale consists of two units, unit 1 (102 acres) and unit 2 (101 acres), that exceed IDL's policy for a clearcut unit over 100 acres. Attendance also included Jay Hein, Joe Wren, and Kirk Kottkey all from Operations.

The Upper McKinnon Timber Sale is located in sections 4 and 5 of T37N R03E. The agricultural college Endowment owns the entire timber sale area.

The virtual tour started by discussing the silvicultural proposal for the timber sale. The units combine for a total of 203 acres. The area described the current structure of the stands. The stands consist of 60% grand fir, 30% Douglas-fir, and 10% other species. To move towards the areas desired future conditions, natural regeneration would be difficult with the current characteristics. The desired seral species, Douglas-fir, western larch, and white pine, total approximately 35% of the current standing volume which is not evenly distributed across the stands. Various root diseases and Douglas-fir beetle (*Dendroctonus pseudotsugae*) are found within the proposed sale units. The stands also show a presence of grass which will likely spread post-harvest and decrease successful establishment of natural regeneration. With the lack of evenly distributed, healthy leave trees and existing seedling competition, natural regeneration is not likely to be successful.

The preferred method of clearcutting, site preparation, and planting best suites these stands. Economically, the clearcut will provide more returns to the endowment by capturing the value of the stands now and planting due to the foreseen issues of establishing natural regeneration.

The group finished discussing any potential viewshed or adjacency concerns. The sale is 11 miles northeast of Orofino, Idaho. The sale is not directly visible from any major city or highway. Visual issues are not a big concern due to the active timber industry in the local area and community. There are no adjacency concerns. The adjacent stands are either not harvested or harvested using seed tree prescriptions.

The Timber Management Bureau recommends that the FIC proceed with the two clearcuts totaling in 203 acres. The lack of quality leave trees, forest health issues, and established competition in the stands justifies the clearcut prescription for both units. The Bureau supports this activity considering maximizing revenue to the agricultural college endowment.



STATE BOARD OF LAND COMMISSIONERS

June 21, 2022

Regular Agenda

Subject

Moose Drool Timber Sale with clearcut harvest unit

Questions Presented

Shall the Land Board approve the Moose Drool Timber Sale with clearcut harvest unit exceeding 100 acres?

Background

At its December 15, 2015 meeting, the Land Board adopted a timber sale governance structure whereby the Idaho Department of Lands (Department) would only present individual proposed timber sales for Land Board approval that fall outside of established Land Board policies. Timber sales with clearcut harvest units exceeding 100 acres are one type of sale to be submitted for approval.

Discussion

The Ponderosa Supervisory Area submitted a timber sale in the FY23 plan that has a clearcut harvest unit exceeding 100 acres in size. The sale area is primarily within other Department ownership that has been previously managed (Attachment 1). The sale area is located 1.4 miles northwest of Bovill, Idaho (Attachment 2).

The proposed clearcut harvest in this sale is 119 acres and is described in detail in Attachment 3. It is characterized by highly defective species (grand fir and lodgepole pine). A high rate of mortality is currently occurring in most of the stand and needs immediate treatment to capture the highest value. The preferred seral species are a minor component of the stand and are not expected to produce enough cones and seed for natural regeneration. There is also a large component of brush in the understory that would prevent successful natural regeneration. The site will be planted with a mix of seral species, which will be more resilient to the current insect and disease problems. The stands surrounding the sale area managed by the Department have been successfully planted to adequate stocking to maximize return to the beneficiaries.

The sale has been prepared to meet or exceed the Forest Practices Act. The proposed clearcut harvest unit is silviculturally and economically justified and was approved by the Timber Management Bureau (Attachment 4). This sale, as proposed, meets the objectives of the Ponderosa Area Forest Asset Management Plan.

Recommendation

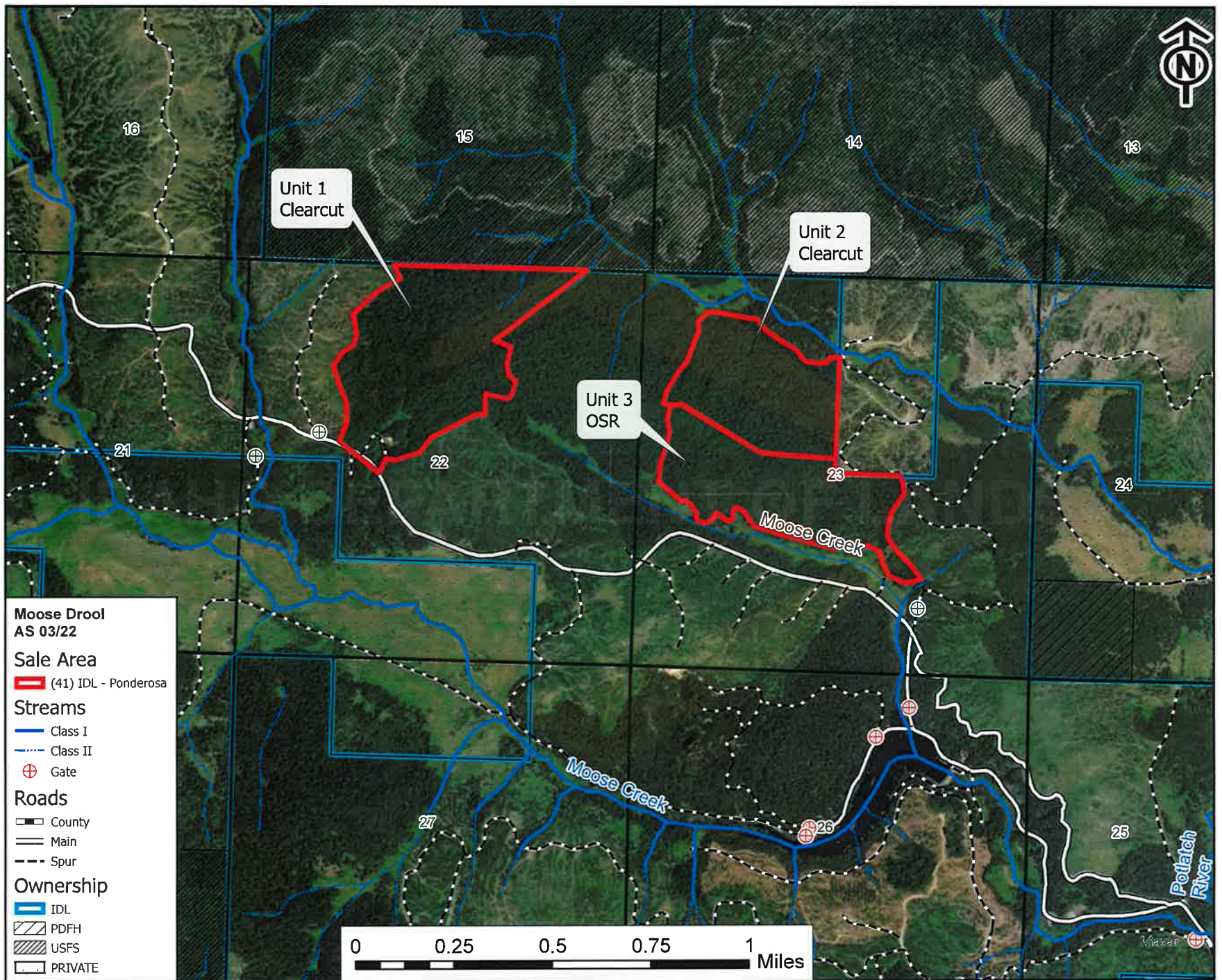
Approve the Moose Drool Timber Sale with clearcut harvest unit exceeding 100 acres.

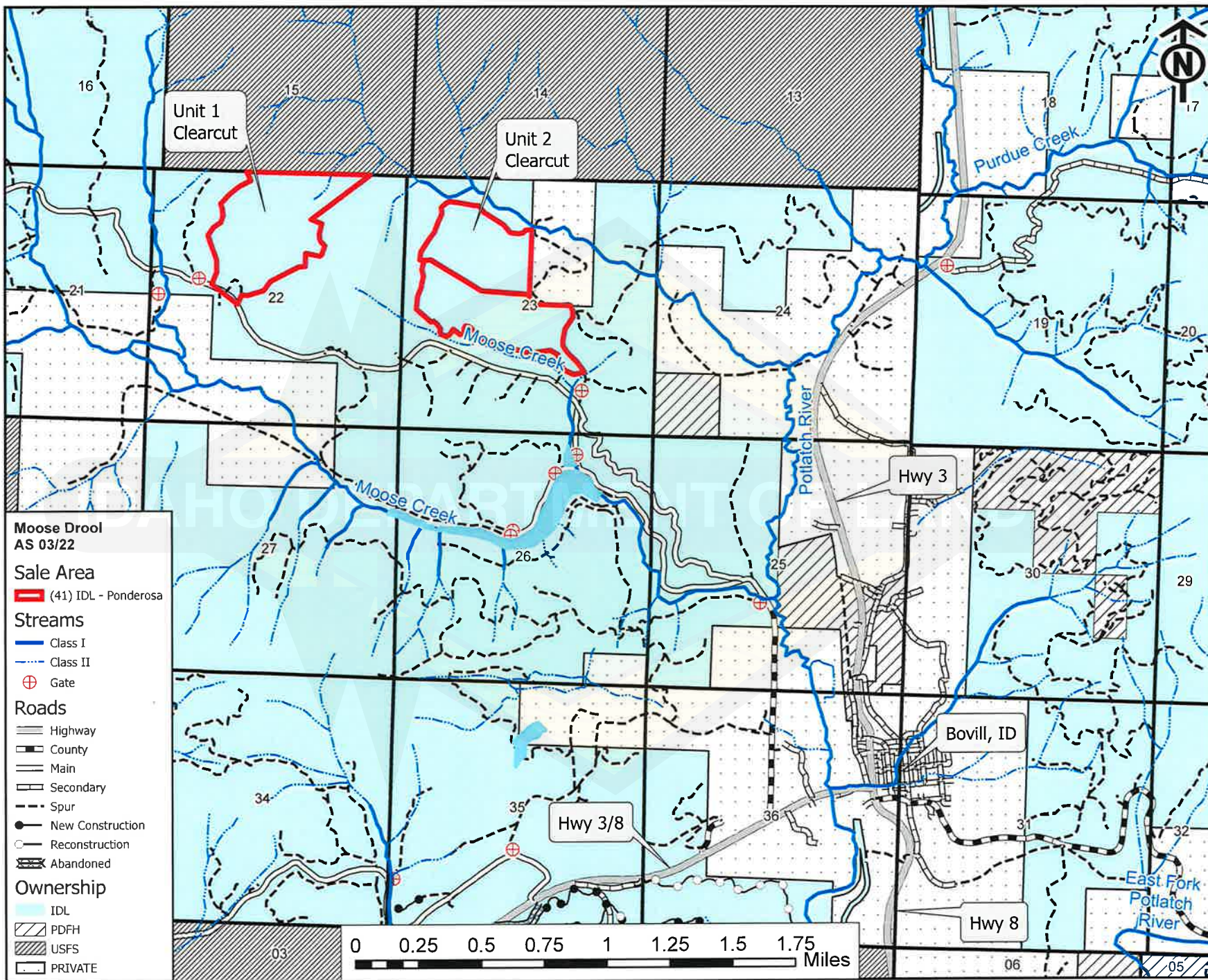
Board Action

Attachments

1. Moose Drool Timber Sale Map
2. Moose Drool Timber Sale Vicinity Map
3. Moose Drool Timber Sale Area Clearcut Justification
4. Moose Drool Timber Sale Timber Bureau Approval Memo







Area Clearcut Justification

1. Treatment Description:

- a) Units 1-2: These units will be clearcut harvests.
- b) Unit 3: Overstory removal will result in a mosaic stand of sapling and pole sized regeneration. Where regeneration is lacking, site preparation and planting will be implemented to maximize site productivity and ensure compliance with FPA reforestation standards. Within the next 5 years, the stand will be evaluated for pre-commercial thinning.

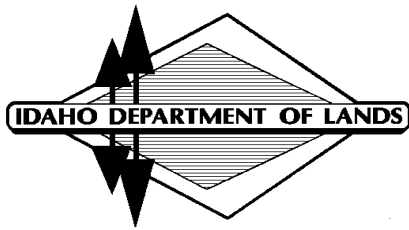
c) Clearcut Justification:

Clearcuts will help achieve the Desired Future Conditions outlined in the Ponderosa Supervisory Area's Forest Asset Management Plan. A clearcut prescription in units 1 (119 acres), and 2 (71 acres) is silviculturally and economically justified and complies with the Idaho Forest Practices Act. Land Board approval is needed due to the harvest unit exceeding 100 acres in size. A clearcut prescription will be used to harvest the existing stand and re-establish seral species on the site. Natural regeneration will not accomplish this for the following reasons:

- 1) Units 1, and 2 are currently stocked with a majority of grand fir and lodgepole pine. Additionally, there are endemic levels of Indian paint fungus, *Armillaria*, *Schweinitzii* root rot and *Pini* affecting the stands. Fir Engraver is also affecting the grand fir.
- 2) The low density and uneven distribution of preferred seral species in units 1 and 2 are not sufficient to provide adequate seed for regeneration.
- 3) The presence of ocean spray (*Holodiscus discolor*) and ninebark (*Physocarpus malvaceus*) in portions of these units is also expected to reduce the success of natural regeneration.

d) Forest Improvement Activity:

Following harvest, clearcut units will be planted to a mix of seral species. Site preparation herbicide treatment will be applied to units which are not planted during the spring after harvest. Gopher bait treatments are anticipated in all units. Advanced regeneration in unit 3 will be evaluated for thinning. Regeneration surveys will be conducted at one, three and five years on all units post-planting to monitor plantation success and address any further competition or predation issues.



FOREST MANAGEMENT BUREAU

3284 W Industrial Loop
Coeur d'Alene, ID 83815
208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Alisa Schotzko, Lands Resource Supervisor

FROM: Jeremy Shawver, Program Manager – Timber Sales

DATE: March 16, 2022

SUBJECT: Moose Drool (CR410136) Timber Sale

On February 24th, 2022, David Greenwood and Jeremy Shawver, Timber Bureau representatives, held a virtual site visit for the Moose Drool Timber Sale on the Ponderosa Supervisory area via Zoom. This occurred prior to harvesting to discuss silvicultural prescriptions of the proposed harvest unit due to the prescription consisting of a clearcut over 100 acres. Attendance also included Jason Svancara and Alisa Schotzko all from Operations.

The Moose Drool Timber Sale resides in sections 22 and 23 of T41N R01W. Normal school endowment owns approximately 67% of the acres while public school endowment owns the other 33% of the sale area.

The group started discussing the proposed clearcut of 119 acres. The area representatives discussed the species composition of the unit with grand fir and lodgepole pine comprising 84 percent of the volume. The desired future conditions of the stand require a species transition to Douglas-fir, white pine, and western larch. There are 11 trees per acre of the desired species mix which is not adequately and evenly spaced to naturally regenerate the stand.

The preferred method of clearcutting, site preparation, and planting best suites the stand. There is a scattering of root disease and insect activity that also reduces the vigor of the residual stand thus lowering the odds of the seedtree to be successful. Economically, the clearcut will provide more returns to the endowments by capturing the value of the stand now and planting due to the foreseen issues of desired natural regeneration.

The group finished discussing any potential viewshed or adjacency concerns. The sale

is 1.5 miles northwest of the Moose Creek Campground accessed from the Moose Creek Road # 381. The sale is not directly visible from the campground due to topographic relief in the terrain. The sale can be seen from the Moose Creek Road. Visual issues are not a big concern due to the active timber industry in the local area and community.

The Timber Management Bureau recommends that the FIC proceed with the 119-acre clearcut. The lack of quality leave trees and reducing vigor in the stand justify the clearcut prescription. The Bureau supports this activity considering maximizing revenue to the normal and public school endowments.



AGENDA ITEM 13 PERSONNEL MATTER

NO BOARD MATERIALS
ARE PROVIDED FOR THIS ITEM

IDAHO DEPARTMENT OF LANDS

2022 Summer Fire Season Outlook

Jim Wallmann

NICC/NIFC Predictive Services

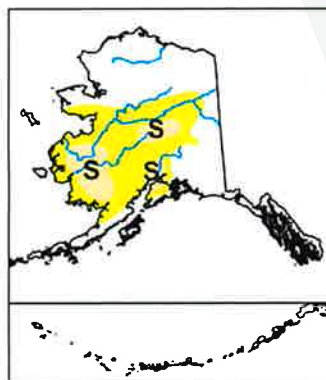
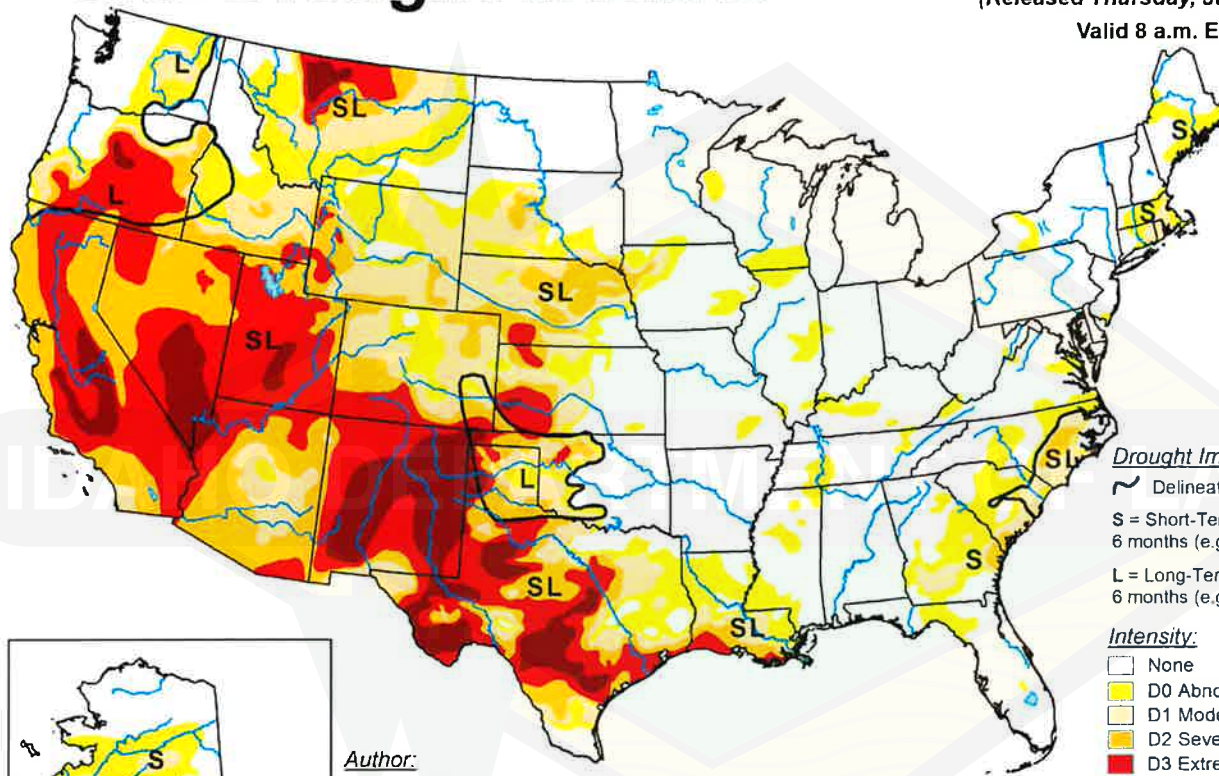


U.S. Drought Monitor

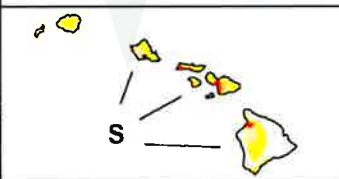
June 14, 2022

(Released Thursday, Jun. 16, 2022)

Valid 8 a.m. EDT



Author:
Adam Hartman
NOAA/NWS/NCEP/CPC



Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

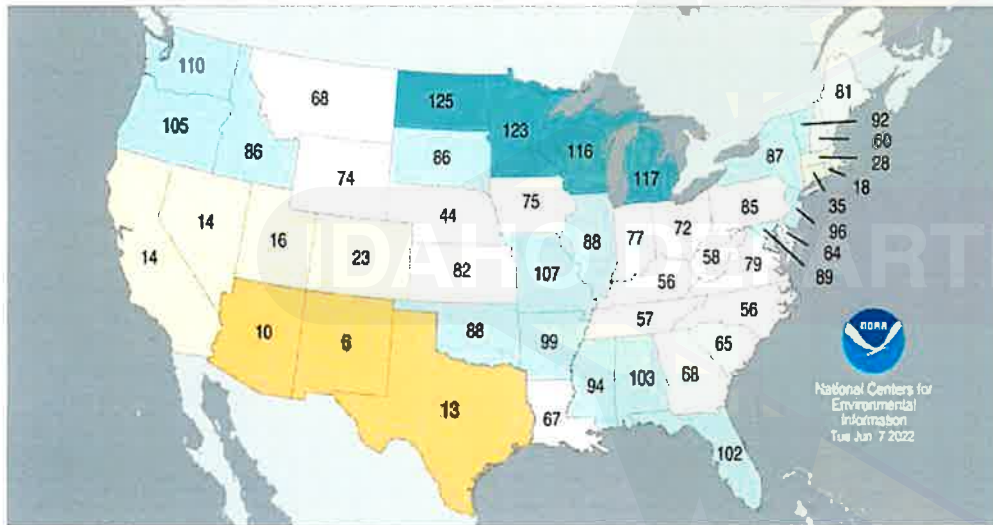
- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions
Local conditions may vary. For more information on the
Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

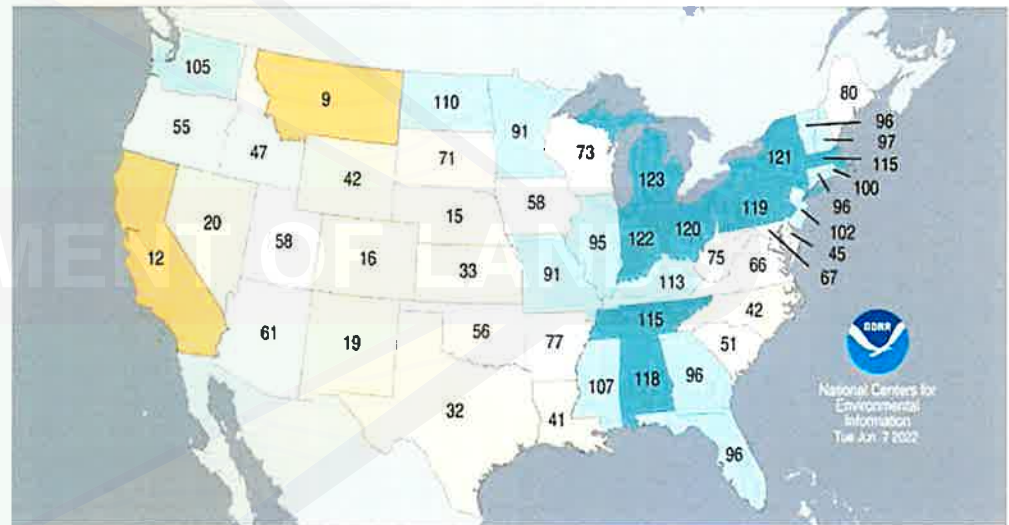


droughtmonitor.unl.edu

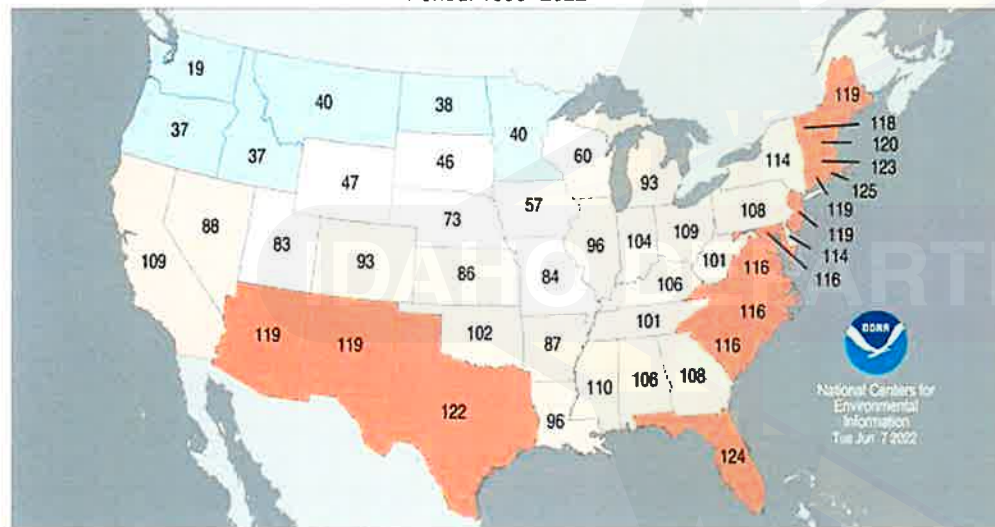
Statewide Precipitation Ranks
 March – May 2022
 Period: 1895–2022



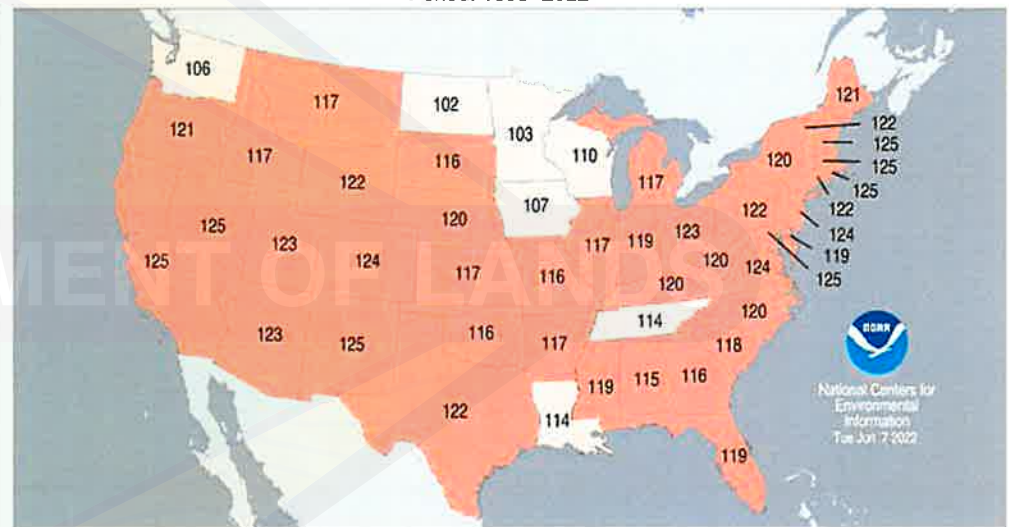
Statewide Precipitation Ranks
 June 2021 – May 2022
 Period: 1895–2022



Statewide Average Temperature Ranks
March – May 2022
Period: 1895–2022

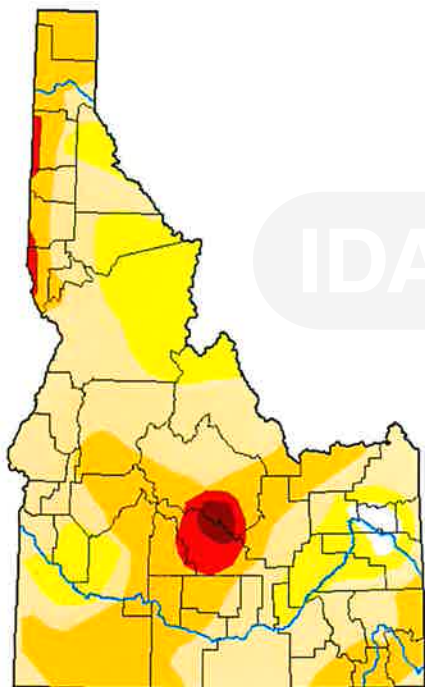


Statewide Average Temperature Ranks
June 2021 – May 2022
Period: 1895–2022



Drought in Idaho Last June

U.S. Drought Monitor Idaho



June 8, 2021
(Released Thursday, Jun. 10, 2021)
Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	1.20	98.80	79.90	34.38	3.57	0.84
Last Week 06-01-2021	8.36	91.64	62.05	13.12	0.85	0.00
3 Months Ago 03-09-2021	38.46	61.54	24.56	4.19	0.85	0.00
Start of Calendar Year 12-29-2020	37.41	62.59	20.67	4.24	0.77	0.00
Start of Water Year 09-29-2020	29.22	70.78	17.04	4.43	0.96	0.00
One Year Ago 06-09-2020	50.84	49.16	20.30	2.37	0.00	0.00

Intensity



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

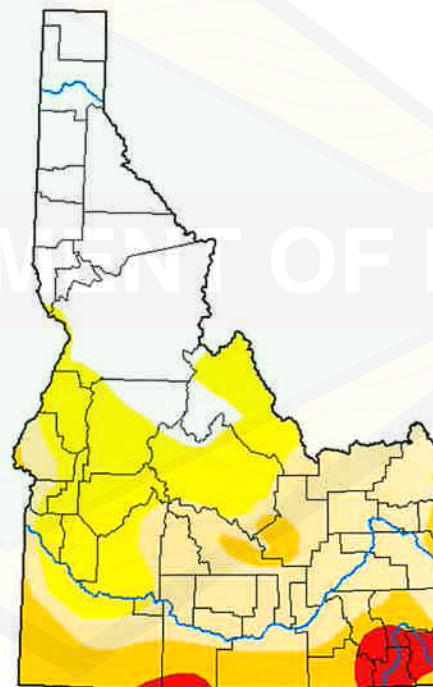
Brian Fuchs
National Drought Mitigation Center



droughtmonitor.unl.edu

Current Drought in Idaho

U.S. Drought Monitor Idaho



June 14, 2022
(Released Thursday, Jun. 16, 2022)
Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	28.26	71.74	48.25	16.97	3.41	0.00
Last Week 06-07-2022	16.70	83.30	71.67	35.60	5.03	0.00
3 Months Ago 03-15-2022	11.65	88.35	83.91	37.38	1.24	0.00
Start of Calendar Year 01-04-2022	0.00	100.00	88.51	41.09	3.78	0.00
Start of Water Year 09-28-2021	0.00	100.00	100.00	91.10	62.80	23.62
One Year Ago 06-15-2021	1.20	98.80	79.90	34.38	3.56	0.84

Intensity



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Adam Hartman
NOAA/NWS/NCEP/CPC

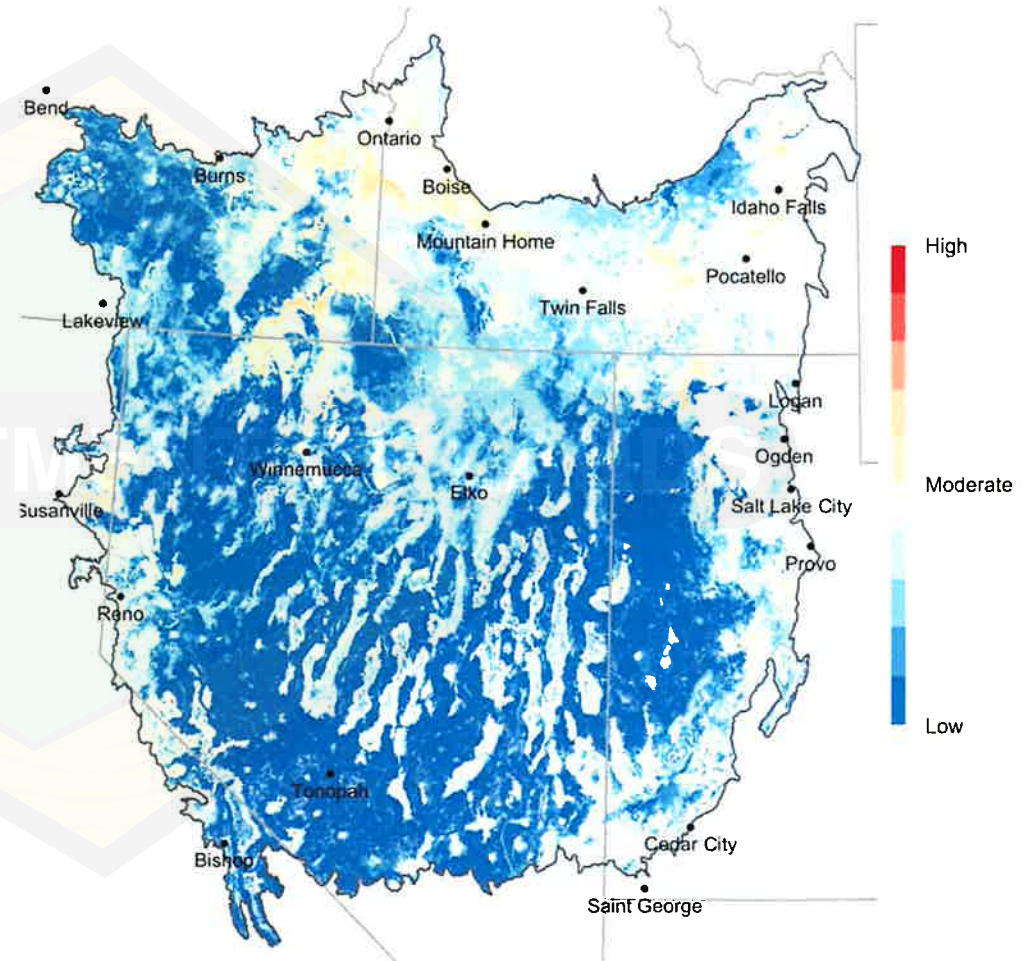


droughtmonitor.unl.edu

Experimental Rangeland Large Fire Probability

The Rangeland Analysis Program was created in collaboration with the USDA's Natural Resources Conservation Service, the DOI's Bureau of Land Management, and the University of Montana.

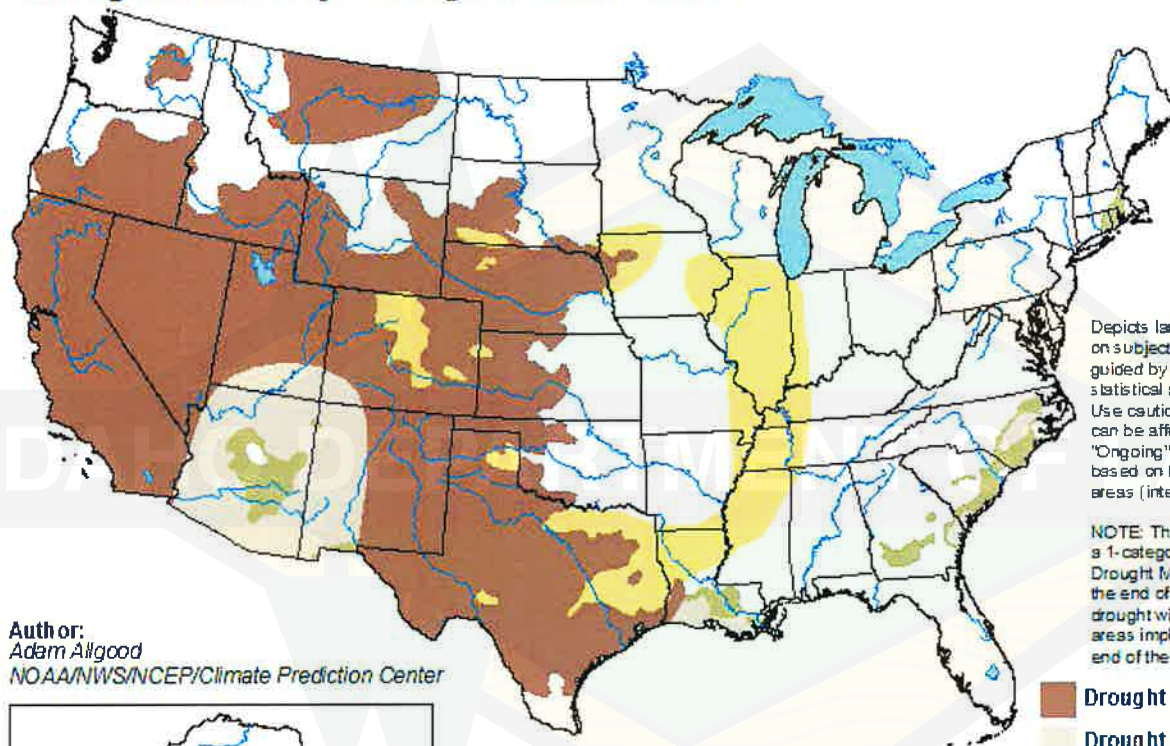
Great Basin Rangeland Fire Probability
2022



U.S. Seasonal Drought Outlook





Drought Tendency During the Valid Period

Valid for June 16 - September 30, 2022
Released June 16



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

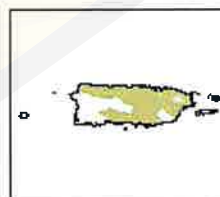
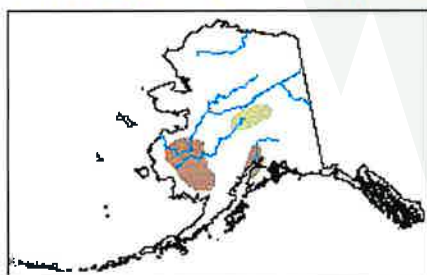
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

-  Drought persists
-  Drought remains but improves
-  Drought removal likely
-  Drought development likely



<http://go.usa.gov/3eZ73>

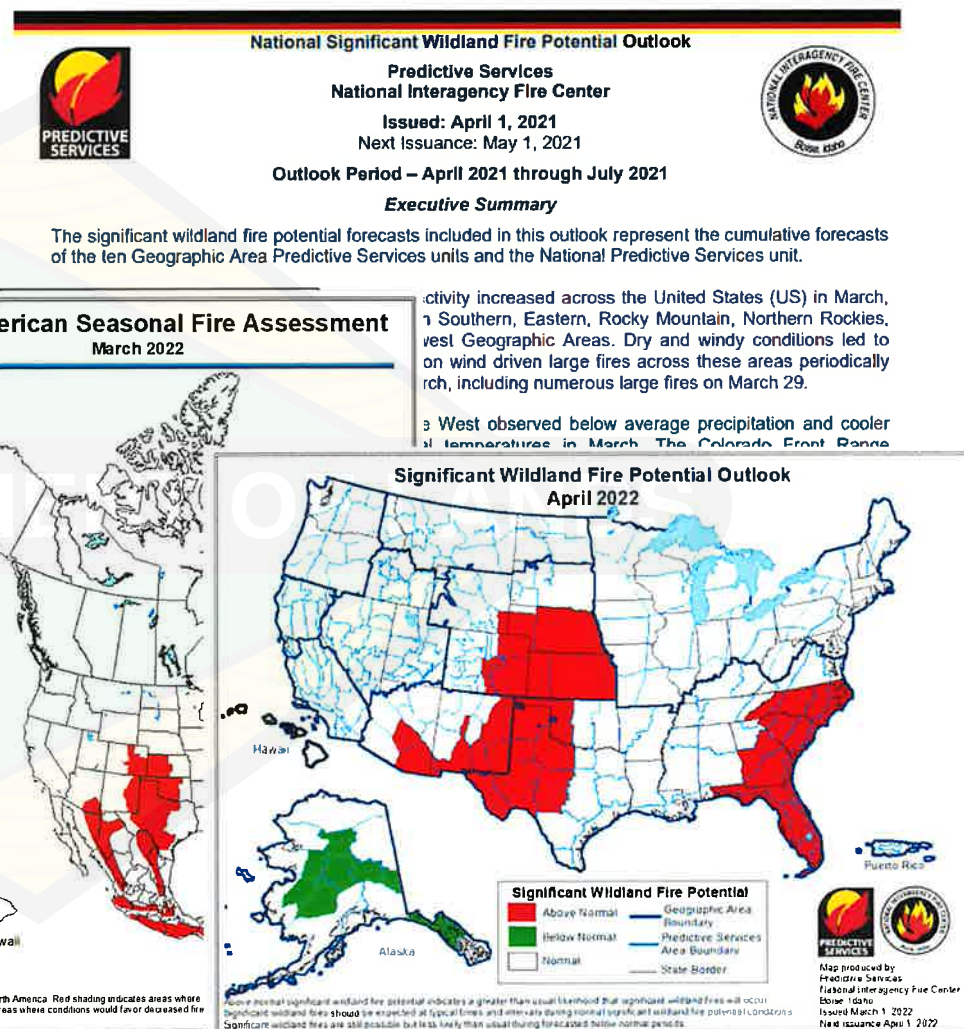
Author:
Adam Allgood
NOAA/NWS/NCEP/Climate Prediction Center

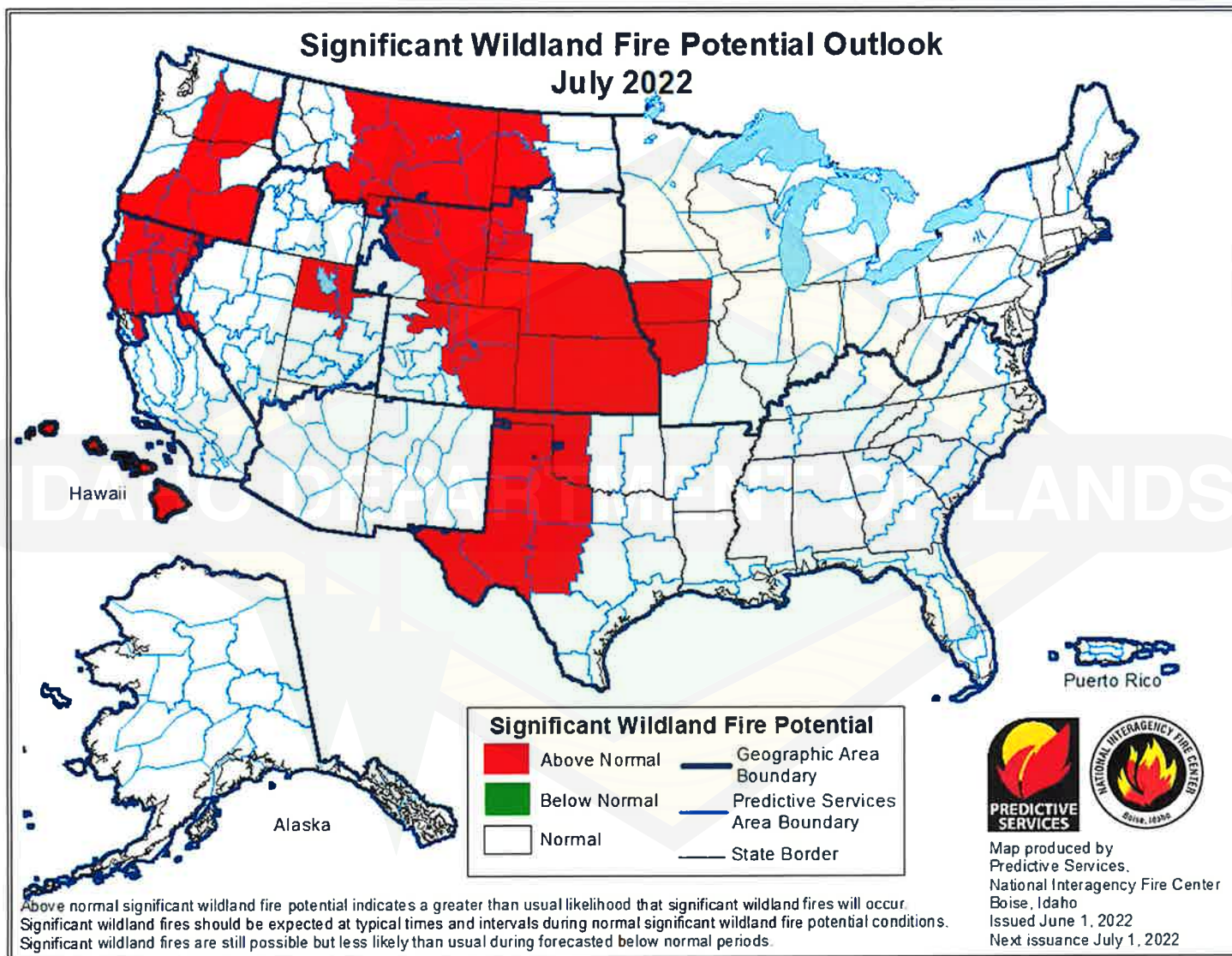


National Significant Fire Potential Outlook

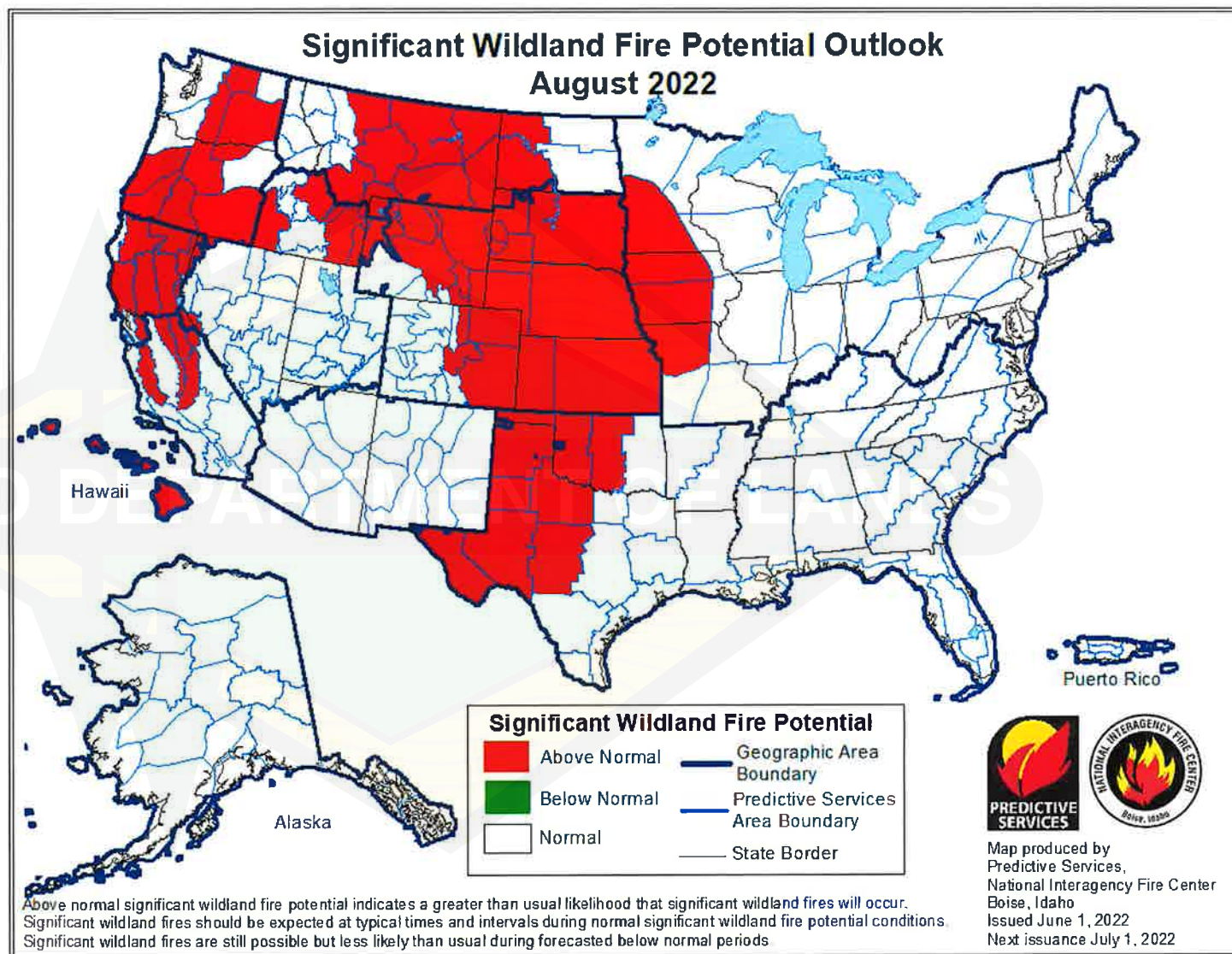
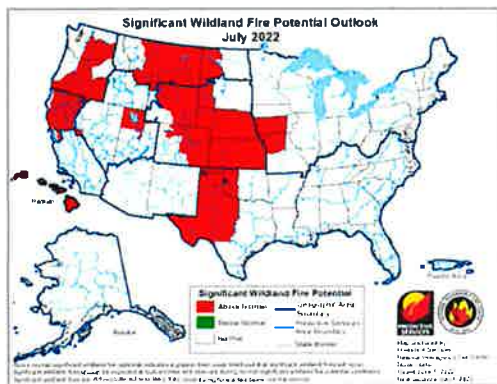
- Monthly updated outlooks forecasting above or below normal significant fire potential for the next 4 months
- Combines current situation with forecast weather and climate
 - Detailed discussion of total fire environment
- Great for planning
 - Severity requests
 - Resource allocation and extensions

Link: <https://www.predictiveservices.nifc.gov/outlooks>

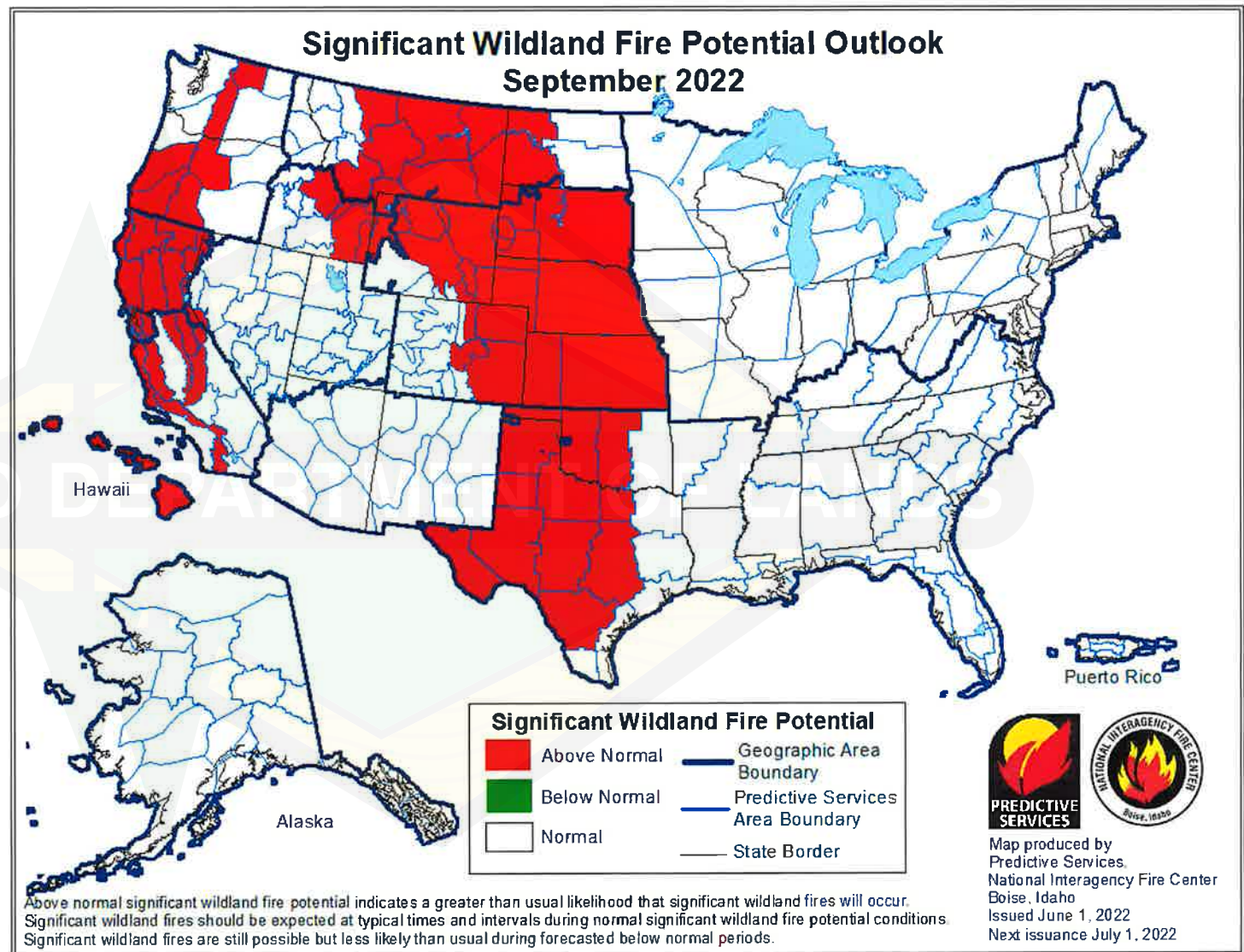
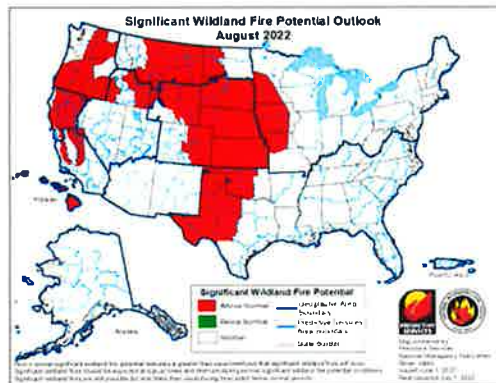




July



August



Summary

- Most of the West into the Plains in drought but improvement has occurred over the northwestern US due to an active, wet spring
- Less than 50% of Idaho in drought, about half of last year with the most severe drought along the southern border
- Southeast Idaho is forecast to have above normal significant fire potential August into September, with above normal potential in southwest Idaho in August

IDAHO DEPARTMENT OF LANDS (IDL) AVIATION RESOURCES – 2022

All IDL aviation resources are available statewide to aid in wildland fire suppression. Though based as indicated below they will be moved where needed as dictated by fire activity.

Coeur d'Alene:

- Two **Type 2 helicopters** with a crew of 7 each (Helicopter Manager plus 6). Capable of transporting approx. 2,500 lbs of personnel or cargo per load, and delivering 300 gals of water per drop.
 - VENDOR: Kachina Aviation, Nampa, ID
- Two **AWS (Amphibious Water Scooper)**, also known as a **FireBoss**. Capable of delivering 800 gallons of retardant, BlazeTamer380, or water on the first drop, and then with subsequent drops of 800 gallons of water scooped from adequate lake or river, or BlazeTamer380 following scoop from lake or river. Returns to Air Tanker Base to refuel and can then again deliver retardant on first load when requested.
 - VENDOR: Dauntless Air, Appleton, MN

Grangeville:

- Two **SEATs (Single Engine Air Tanker)**. Air Tractor 802 capable of delivering 800 gallons of water or retardant per drop. Returns to Air Tanker Base after each drop for refilling with retardant and, if necessary, fuel.
 - VENDOR: Aero Tech, Inc., Clovis, NM

McCall:





- Two **SEATs (Single Engine Air Tanker)**. Air Tractor 802 capable of delivering 800 gallons of water or retardant per drop. Returns to Air Tanker Base after each drop for refilling with retardant and, if necessary, fuel.
 - VENDOR: Aero Tech, Inc., Clovis, NM

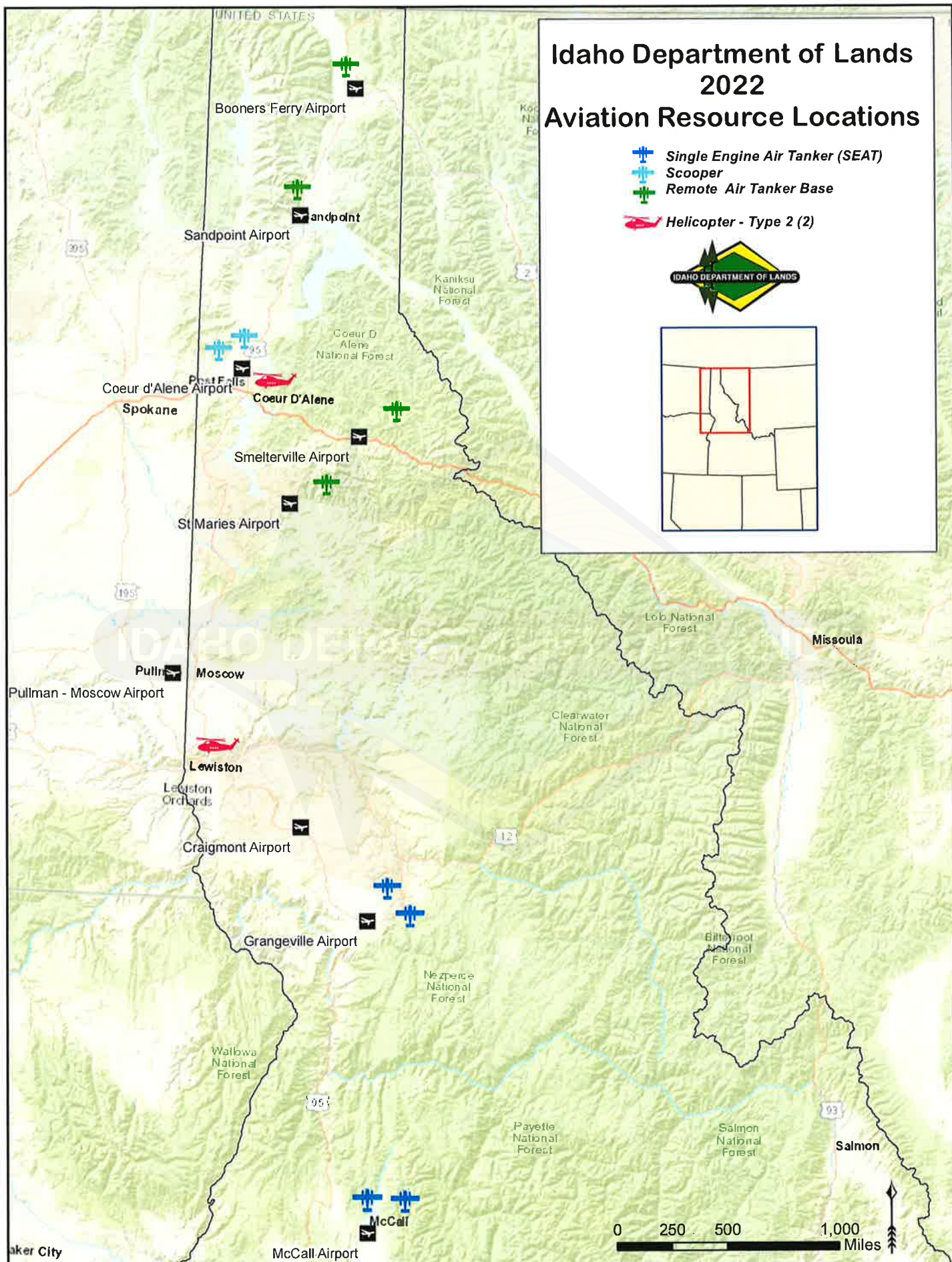
In addition to the three Exclusive Use contracts IDL will have Aviation Price Agreements, including **seven with Idaho vendors**, to support both wildland fire and resources project work, as needed.

Advancements in Operations:

- IDL continues with the use of BlazeTamer380 in direct attack utilizing aviation resources. BlazeTamer380 is a water enhancer used for increasing the efficiency of water and delivers superior fire extinguishing performance characteristics, resulting in less water use. The product is suited for both aerial and ground application.
- Unmanned Aviation System (UAS): IDL continues to build UAS capability to support fire suppression operations. IDL's UAS capability consists of agency UAS aircraft, UAS aircraft secured through Aviation Price Agreements with the private sector and UAS aircraft shared from wildland agency cooperators. Strict adherence to the Federal Aviation Administration regulation regarding operations within the National Airspace System is required. IDL has six certificated UAS operators/pilots.

Idaho Department of Lands 2022 Aviation Resource Locations

-  *Single Engine Air Tanker (SEAT)*
-  *Scooper*
-  *Remote Air Tanker Base*
-  *Helicopter - Type 2 (2)*



State totals in parentheses





2022 marks ten years of Rangeland Fire Protection Association (RFPA) wildland fire protection in Idaho. Since 2012, over 600 volunteer wildland firefighters have been trained by agency fire managers. These volunteers provide an important resource not only for their own land and assets, but also assist wildland fire managers protecting public lands.

The ten RFPAs combined protect 1.8 million acres of private rangeland that was previously unprotected, as well as providing secondary protection on 7.2 million acres of federal and state land. Specific benefits the RFPAs provide include:

- Taking advantage of the quick initial attack ranchers can provide.
- Satisfying the ranchers' interest to be active participants in protecting the forage needed for their livelihood.
- Satisfying fire managers' safety concerns by ensuring all firefighters are trained and have necessary equipment and communication.
- Enhancing efforts to protect sage grouse habitat to the benefit of all parties.

2021 FIRE SEASON REVIEW

Most RFPAs reported less than average numbers of fires in 2021. Only Saylor Creek RFPA reported fire numbers in double digits. Three RFPAs had no fires to report.

2022 FIRE SEASON PREPAREDNESS

All RFPAs were able to conduct in-person Refresher Training as well as basic fire classes in 2022. In addition to in-person training, online Refresher courses are available to members.

Two RFPAs, Shoshone Basin and Weiser River, will have Cooperative Fire agreements with the Forest Service in addition to BLM agreements.

Additional firefighter PPE, radios, equipment, tools, and supplies have been provided through funds from the Governor's Office of Species Conservation and IDL's Rural Fire Capacity Grant program.

IDAHO RANGELAND FIRE PROTECTION ASSOCIATIONS

2022

State/BLM Provided Equipment (FEPP, FFP and purchased)

RFPA	Water Truck	Type 4 Engine	Type 6 Engine	Slip-in	Dozer	Equipment Updates for 2022
Black Canyon	1			1		
Camas Creek			3	1		
Henry's Creek			3		1	Receiving two OSC funded T-6 slip-ins for 1-ton FFP pickups
Mountain Home	1					
Notch Butte		1	1	1		
Owyhee	4	2	2	1		
Saylor Creek		2	3	2		
Shoshone Basin			2	1		
Three Creek	1	1	1	2		
Weiser River						

Idaho RFPAs at a Glance

RFPA	Established	Members ¹	Acres	Private	Federal ²	State ³	Fires 2021
Black Canyon	2013	22	185,384	108,555	61,111	15,719	0
Camas Creek	2016	31	1,494,608	363,005	1,019,277	112,327	0
Henry's Creek	2017	19	914,696	286,775	571,374	56,547	2
Mountain Home	2012	28	674,326	234,480	351,724	88,122	2
Notch Butte	2016	16	341,170	74,535	247,745	18,890	0
Owyhee	2013	40	1,370,873	254,175	972,268	144,430	2
Saylor Creek	2013	56	2,222,204	131,128	1,964,913	126,162	14
Shoshone Basin	2015	18	488,054	174,940	302,144	10,969	6
Three Creek	2013	63	1,120,203	114,599	951,243	54,362	5
Weiser River	2021	44	135,212	60,246	38,252	27,208	N/A
TOTALS		337	8,946,731	1,802,438	6,480,051	654,733	31

¹ Received Red Card for 2022 fire season as of 6/6/2022. The Red Card identifies that annual training is current.

² Federal includes Military, NPS, BOR, BIA, DOE, BLM and USFS ownership.

³ State includes Endowment, State F&G, State Parks and State other.

Idaho Department of Lands 2022 RFPA Locations

- Rangeland Fire Protection Associations (RFPAs)
- IDL
 - USFS
 - NPS
 - BLM
 - DOE-INL
 - SITPA

