

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: February 21, 2023

Regular Meetings

2/13/2023	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
2/13/2023	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
2/13/2023	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
2/13/2023	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
2/13/2023	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
2/15/2023	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
2/15/2023	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting.
2/15/2023	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
2/15/2023	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
2/15/2023	Agenda posted electronically on IDL's public website https://www.idl.idaho.gov forty-eight (48) hours before meeting.
1/3/2023	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 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 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.


Recording Secretary

February 15, 2023

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING FEBRUARY 2023

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, February 21, 2023 in the **Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

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

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 YouTube: <https://www.youtube.com/watch?v=nK99N7dI9Qs>

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

First Notice Posted: 2/13/2023-IDL Boise; 2/13/2023-IDL CDA

This notice is published pursuant to Idaho Code § 74-204. 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

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State Board of Land Commissioners Regular Meeting

February 21, 2023 – 9:00 AM (MT)

Final Agenda

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

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

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https://idl.zoom.us/webinar/register/WN_BkWr-ldgRBGFWCSe-bAeRg

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – January 2023
- B. Leases and Permits – January 2023

Status Updates

- C. Land Bank Fund
- D. Legislative Summary
- E. Resource Protection and Assistance Report

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

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

Consent—Action Item(s)

3. Approval of Draft Minutes – December 20, 2022 Regular Meeting (Boise)

State Board of Land Commissioners

Final Agenda

Regular Meeting – February 21, 2023

Page 1 of 2

Regular—Action Item(s)

4. Approval of Elk Hyde Timber Sale – *Presented by Jeremy Shawver, Section Manager-Timber Sales*

Information

None

Executive Session

None





Idaho Statutes

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

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

History:

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

STATE BOARD OF LAND COMMISSIONERS

February 21, 2023

Trust Land Revenue

Timber Sales

During January 2023, the Department of Lands sold three endowment timber sales at auction. Three sales had competitive bidding. The net sale value represents an 11% up bid over the appraised value. There were two unsuccessful endowment sales in January.

The FY2022 Sales Plan has one sale remaining to be attempted at auction. Wildcat Cedar is the last sale on the FY2022 sales plan. Its third and final attempt at auction is scheduled for February 28th.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Lower Spring	MICA	6,445			\$ 1,695,283.00	\$ 1,707,050.00	\$264.86	IFG Timber LLC
Go West Cedar	POL	2,845			\$ 963,290.00	\$ 1,130,701.00	\$397.43	IFG Timber LLC
Lovell Valley	SJ	7,550			\$ 2,040,369.00	\$ 2,359,005.50	\$312.45	IFG Timber LLC
Endowment		16,840	0	0	\$ 4,698,942.00	\$ 5,196,756.50	\$308.60	

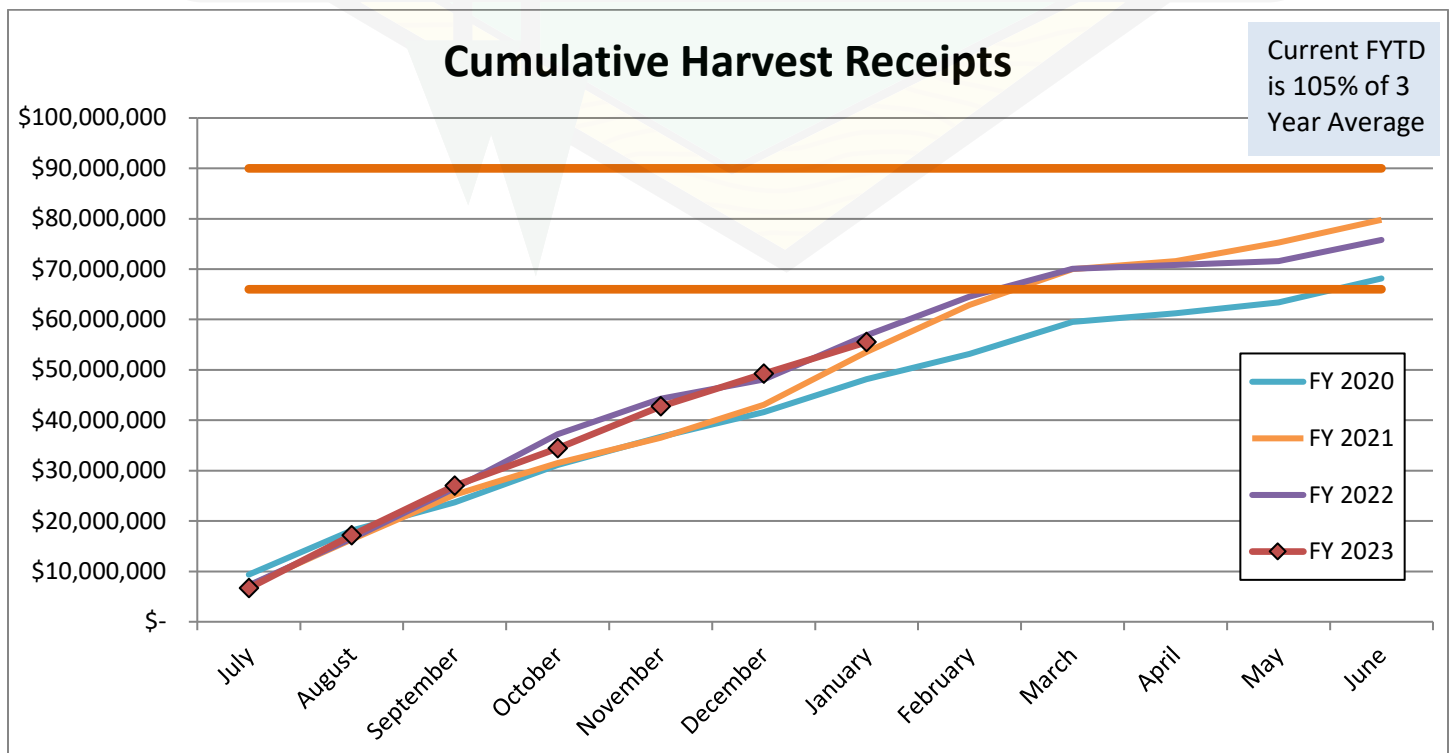
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Roundup	4,210	\$ 1,349,260.00	POL	2/7/2023
Deep Clean Cedar	1,005	\$ 429,738.00	POL	2/7/2023
Twisted Cedar	6,115	\$ 1,842,799.50	SJ	2/9/2023
Doug Fir Meadows	4,095	\$ 737,088.50	POL	2/23/2023
Wildcat Cedar	7,455	\$ 1,668,745.00	PL	2/28/2023
TOTALS	22,880	\$ 6,027,631.00		
South Operations				
Whiskey 7	710	\$ 167,704.50	CLWR	2/22/2023
Democrat Ridge	8,510	\$ 917,558.00	CLWR	2/22/2023
TOTALS	9,220	\$ 1,085,262.50		

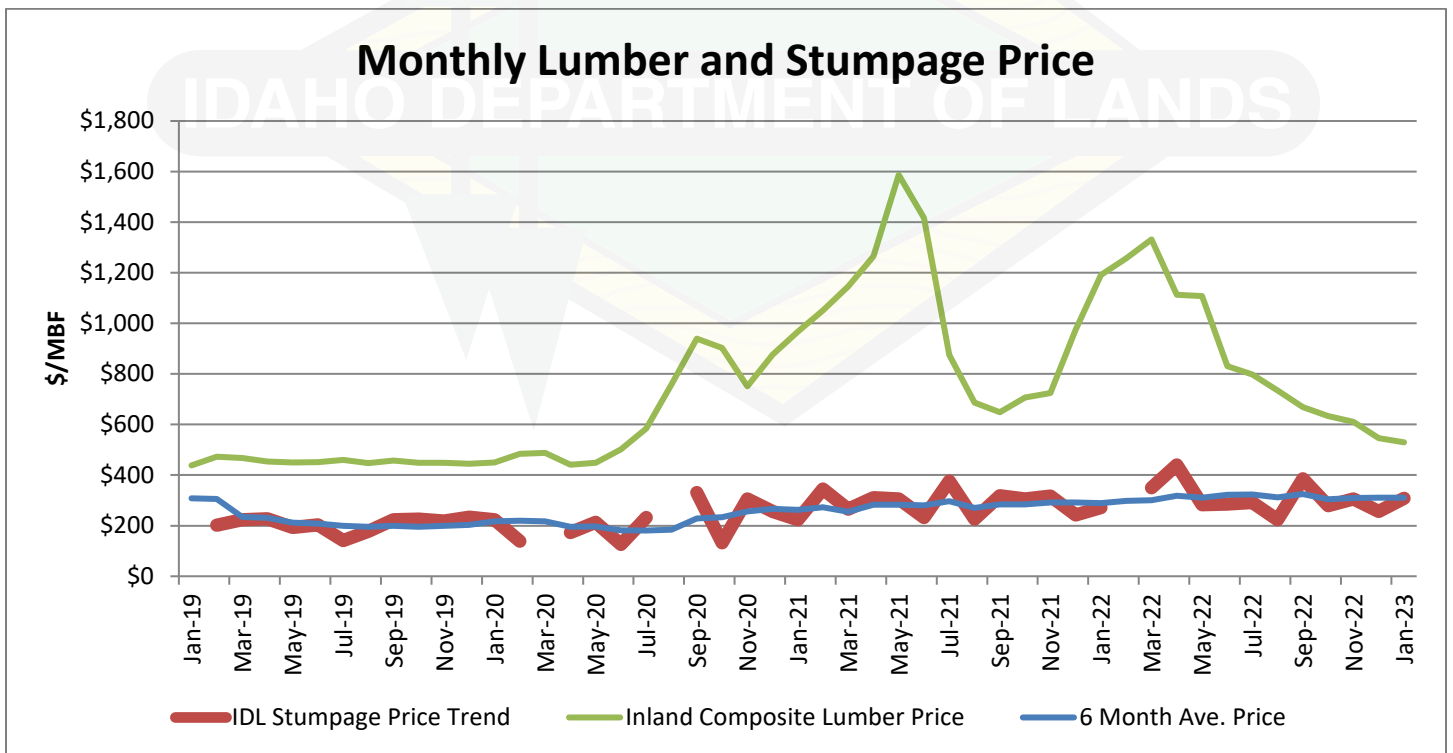
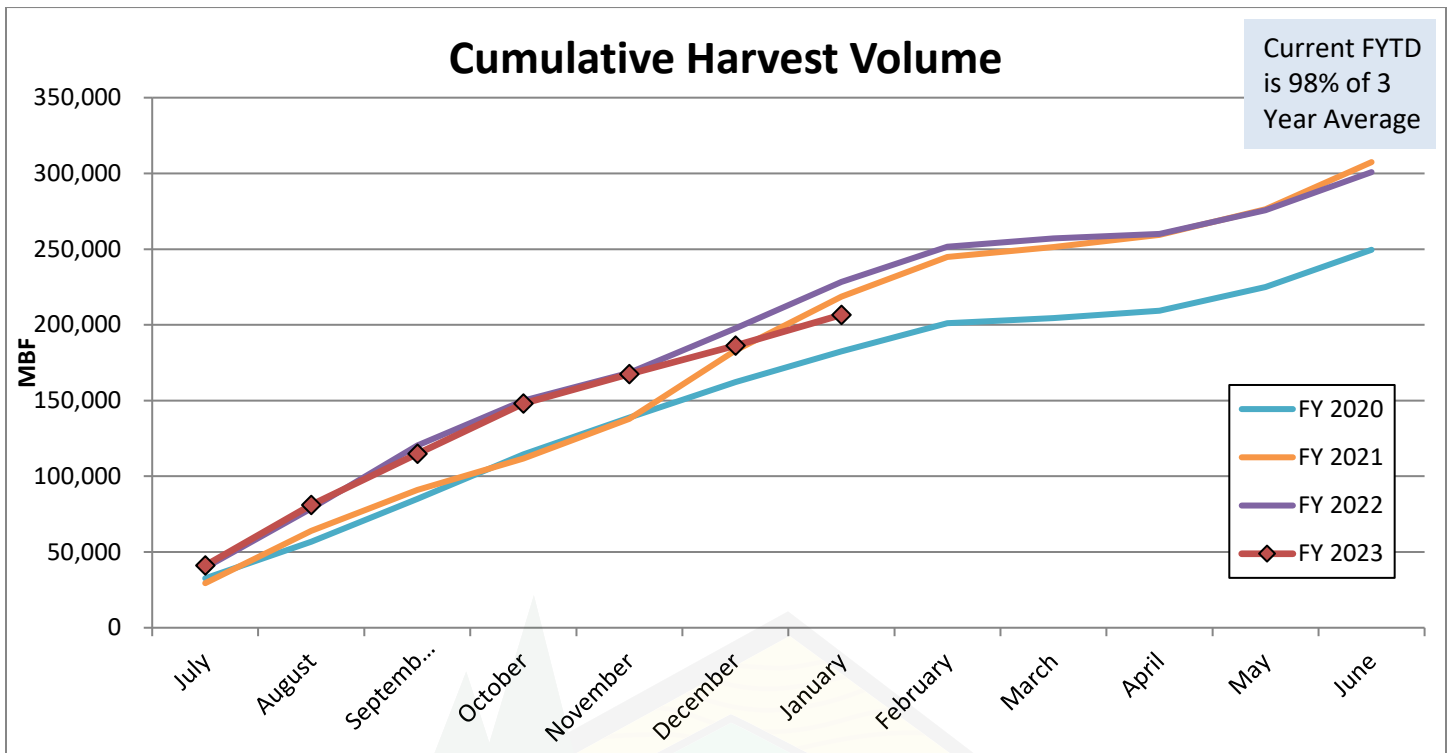
VOLUME UNDER CONTRACT as of January 31, 2023				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			152	167
Total Residual MBF Equivalent	297,294	161,223	458,517	549,088
Estimated residual value	\$88,402,319	\$47,101,365	\$135,503,684	\$142,069,623
Residual Value (\$/MBF)	\$297.36	\$292.15	\$295.53	\$258.74

	TIMBER HARVEST RECEIPTS				
	January		FY to date	February Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 3,950,108.58	\$ 341,065.64	\$ 34,032,290.94	\$ 3,273,340.76	\$ 279,367.89
Pooled	\$ 1,874,401.71	\$ 113,524.26	\$ 21,481,528.35	\$ 2,402,818.97	\$ 124,343.92
General Fund	\$ 0.30	\$ 0.00	\$ 243.77	\$ 0.30	\$ 0.00
TOTALS	\$ 5,824,510.59	\$ 454,589.90	\$ 55,514,063.06	\$ 5,676,160.03	\$ 403,711.81

	Status of FY2023 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of January 31, 2023	67,065	25,602	92,667	5,889	191	6,080
Currently Advertised	39,964	8,286	48,250	3,192	178	3,370
In Review	18,468	715	19,183	600	0	600
Did Not Sell*	0	0	0	0	0	0
TOTALS	125,497	34,603	160,100	9,681	369	10,050
FY2023 Sales Plan			326,000			20,000
Percent to Date			49%			50%

* After three attempts at auction.

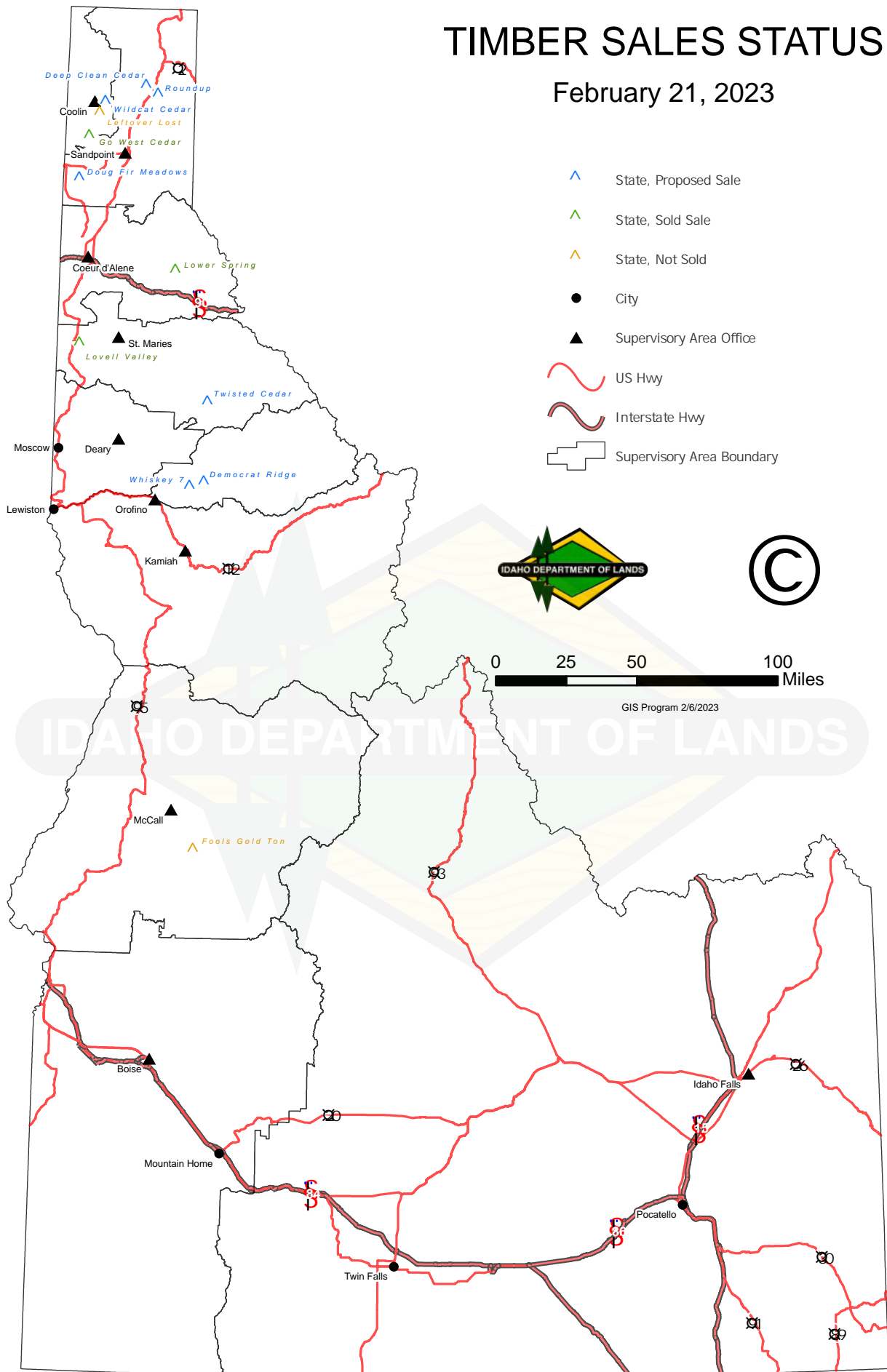




January 2023 6-month average price is \$311.14.
January 2022 6-month average price was \$289.43.

TIMBER SALES STATUS

February 21, 2023



STATE BOARD OF LAND COMMISSIONERS

February 21, 2023
Endowment Transactions

Leases and Permits

FISCAL YEAR 2023 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through December 31, 2022													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture	-	1	-	-	1	-	-						2
Assignments	-	-	-	-	-	-	-						0
Communication Sites	-	-	-	1	-	-	-						1
Assignments	1	2	-	-	-	-	-						3
Grazing	-	-	-	7	1	-	-						8
Assignments	3	2	-	1	-	-	5						11
Residential	-	4	-	1	-	-	-						5
Assignments	-	-	-	-	-	-	-						0
COMMERCIAL													
Alternative Energy	-	-	-	-	1	-	-						1
Industrial	-	-	-	-	-	-	-						0
Military	-	-	-	-	-	-	-						0
Office/Retail	1	-	-	-	-	-	-						1
Recreation	-	-	-	-	-	-	-						0
OTHER													
Conservation	-	-	-	2	-	-	-						2
Geothermal	-	-	-	-	-	-	-						0
Minerals	2	2	1	-	-	-	-						5
Assignments	1	-	-	-	-	-	1						2
Non-Comm Recreation	-	-	-	-	-	-	-						0
Oil & Gas	-	-	-	-	-	-	-						0
PERMITS													
Land Use Permits	6	5	4	6	2	3	7						33
TOTAL INSTRUMENTS	14	16	5	18	5	3	13	0	0	0	0	0	74

Real Estate

FISCAL YEAR 2023 – REAL ESTATE TRANSACTIONS BY MONTH – through December 31, 2022													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-	-	-	-	-	7						7
Deeds Granted	-	-	5	3	1	1	-						10
Deeds Granted - Surplus	-	-	-	-	-	-	-						0
Easements Acquired	-	1	-	-	-	-	-						1
Easements Granted	2	1	-	-	-	-	-						3
Notes : December 1 Deed Payette Lakes VAFO Cottage Site - Cougar Island January 7 Acquired Deeds CAFE Center Acquisition and Vandals 1 Acquisition													

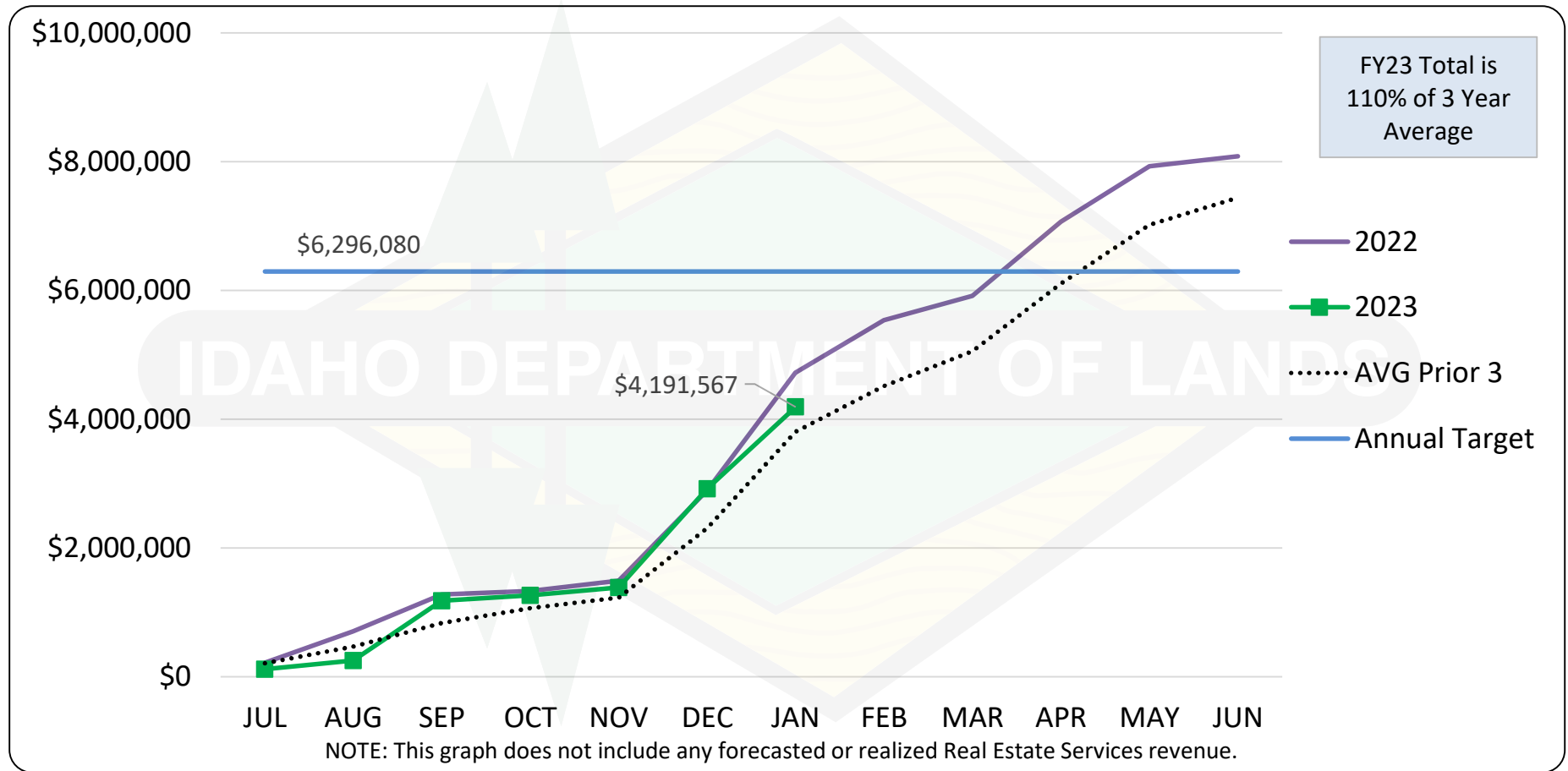
TRUST LAND MANAGEMENT DIVISION
FY2023 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through January 31, 2023

	ACTUAL RECEIPTS AS OF 1.31.2023	REVENUE EXPECTED BY 1.31.2023**	REVENUE EXPECTED BY 06.30.2023
SURFACE			
AGRICULTURE	\$ 495,382	\$ 487,000	\$ 505,000
COMMUNICATION SITES	\$ 795,571	\$ 665,249	\$ 1,009,239
GRAZING	\$ 46,778	\$ 24,000	\$ 1,870,000
RESIDENTIAL	\$ 693,431	\$ 873,412	\$ 1,095,851
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 23,763	\$ 47,763	\$ 47,763
COMMERCIAL INDUSTRIAL	\$ 121,477	\$ 62,818	\$ 74,504
COMMERCIAL MILITARY	\$ 101,397	\$ 21,590	\$ 91,117
COMMERCIAL OFFICE/RETAIL	\$ 724,996	\$ 476,352	\$ 527,352
COMMERCIAL RECREATION	\$ 1,094,419	\$ 767,731	\$ 899,978
OTHER			
CONSERVATION LEASES	\$ 70,285	\$ 65,000	\$ 65,000
GEOTHERMAL	\$ (6,339)	\$ -	\$ -
MINERAL	\$ 25,884	\$ 13,459	\$ 105,403
OIL AND GAS LEASES	\$ 4,522	\$ 1,050	\$ 4,874
Sub Total	\$ 4,191,567	\$ 3,505,422	\$ 6,296,081
*REAL ESTATE SERVICES			
	\$ 183,632		
Grand Total	\$ 4,375,199		

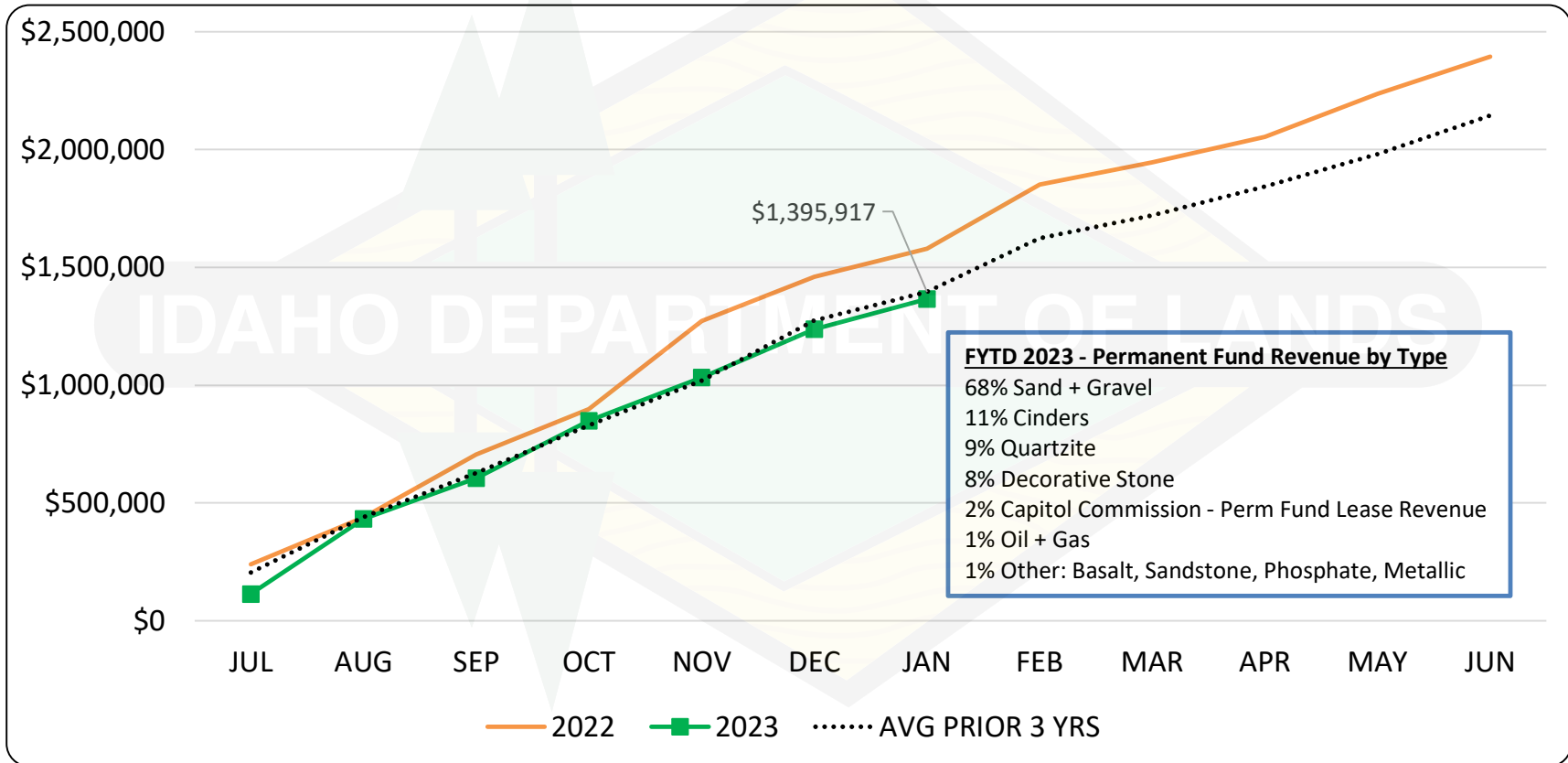
* This category is not included in the annual forecast.

** 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 2022 - FYTD 2023



Cumulative Trust Land Permanent Fund Revenue/Royalties (Does NOT include Land Bank or Timber Program Revenue) FY2022 - FYTD2023



LAND BANK AGING REPORT							
Current Remaining Principal Balance By Quarter Received - As of January 31, 2023							
FY Quarter IN	Public School	Agriculture College	Normal Schools	State Hospital South	University of Idaho	All Endowments	FY Quarter EXPIRES
2019-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-01
2019-02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-02
2019-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-03
2019-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-04
2020-01	\$ -	\$ -	\$ 12,895	\$ -	\$ -	\$ 12,895	2025-01
2020-02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-02
2020-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-03
2020-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-04
2021-01	\$ 1,639,575	\$ -	\$ -	\$ -	\$ -	\$ 1,639,575	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	\$ 17,237,620	\$ -	\$ -	\$ -	\$ 27,378,340	2027-02
2022-03	\$ 9,890,500	\$ -	\$ -	\$ -	\$ -	\$ 9,890,500	2027-03
2022-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2027-04
2023-01	\$ 6,125,000	\$ -	\$ -	\$ -	\$ -	\$ 6,125,000	2028-01
2023-02	\$ 9,848,000	\$ -	\$ -	\$ 432,187	\$ -	\$ 10,280,187	2028-02
2023-03 (JAN ONLY)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2028-02
TOTAL PRINCIPAL REMAINING	\$ 45,739,515	\$ 17,237,620	\$ 12,895	\$ 432,187	\$ -	\$ 63,422,217	

LAND BANK CASH BALANCE (with Interest)	\$ 47,882,458	\$ 17,526,917	\$ 416,747	\$ 774,582	\$ -	\$ 66,600,704
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STATE BOARD OF LAND COMMISSIONERS

February 21, 2023
2023 Legislative Summary

Status of legislation monitored by the Department of Lands

IDL Pending Rules

Non-Fee Rules

[Docket 20-0214-2201](#) – Rules for Selling Forest Products on State-Owned Endowment Lands

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – hearing held on January 31, tabled to future date.

Fee Rules

[Docket 20-0317-2201](#) – Rules Governing Leases on State-Owned Navigable Waterways

Status Senate Resources and Environment Committee – approved. House Resources and Conservation Committee – hearing held on January 31, tabled to future date.

IDL Legislation

Budget

IDL budget hearing held on Friday, January 20. Budget setting pending.
EFIB budget hearing held on Friday, January 20. Budget setting pending.

[H0120 OIL AND GAS](#) – Amends and repeals existing law to revise provisions regarding the Oil and Gas Conservation Commission, spacing units, oil and gas wells, the integration of tracts, reporting requirements, public data, confidentiality of well and trade information, rules, and royalties and to provide for minimum surface use bonds.

Status House Resources and Conservation Committee – hearing pending.

Other Legislation Being Monitored

Endowment Land

[S1049 ENDOWMENT LAND](#) – Adds to existing law to provide for notice of restriction, regulation, and prohibition on endowment land and to provide for punishment and violations.

Status Senate – Third Reading.

Miscellaneous

[H0012 STATE GOVERNMENT](#) – Adds to existing law to prohibit state agencies from donating to or sponsoring a nongovernmental event or organization, to provide exceptions, and to provide a penalty.

Status House State Affairs Committee – hearing pending.

[H0014 HUMAN RESOURCES](#) – Amends existing law to provide for advancements in pay based on certain factors and to provide for retention bonuses in certain circumstances.

Status House – Third Reading, returned to committee. House Commerce and Human Resources Committee – hearing pending.

[H0017 STATE PERSONNEL SYSTEM](#) – Amends existing law to revise the definition of "overtime work."

Status House – passed 68-0-2. Senate – Third Reading.

[H0043 FISH AND GAME](#) – Amends existing law to prohibit interference with certain lands, highways, and navigable streams.

Status House Ways and Means Committee – hearing pending.

[H0091 STATE GOVERNMENT](#) – Adds to existing law to prohibit the state government and its employees from paying membership fees or dues with public funds and to provide exemptions.

Status House State Affairs Committee – hearing pending.

[H0097 STATE CONTROLLER](#) – Amends and adds to existing law to provide that all state officers and agencies shall report agreements entered into to the State Controller.

Status House State Affairs Committee – hearing pending.

[S1001 DEPARTMENT OF ADMINISTRATION](#) – Repeals existing law relating to procedures for state-owned dwellings.

Status Senate – passed 34-0-1. House State Affairs Committee – hearing pending.

[S1021 PRIEST LAKE](#) – Amends existing law to prohibit certain outlet control structures.

Status Senate – passed 27-7-1. House Resources & Conservation – hearing pending.

STATE BOARD OF LAND COMMISSIONERS

February 21, 2023

Resource Protection and Assistance Bureau Biannual Report

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

Navigable Waterways Program

INSTRUMENT ACTIVITY – Instruments issued FY2015 through first half of FY2023:

Table 1: Navigable Waterways Historical Instrument Numbers								
Instrument Type	2016	2017	2018	2019	2020	2021	2022	2023
Encroachment Permits Issued	327	289	338	412	383	542	425	191
Active Submerged Land Leases	185	192	180	172	179	176	153	176
New Submerged Land Leases	11	8	36	48	24	17	6	24
Active Riverbed Mineral Leases	2	2	2	2	3	1	1	1
New Riverbed Mineral Leases	1	0	0	0	0	0	0	0
Active Exploration Locations	2	3	4	2	3	5	2	2
New Exploration Locations	0	1	2	4	0	0	1	0
New Submerged Land Easements	27	6	2	3	2	3	6	1
New Disclaimers of Interest	2	1	3	0	1	2	2	2

PAST 6-MONTH HIGHLIGHTS

- **Active Leases.** The Department has been working through new and renewed leases, and as a result active leases have increased from 153 in FY2022 to 176 in just the first half of FY2023. Income from these leases has increased 63% over the five year average.
- **Administrative Hearings.** Between July 1, 2022 and December 31, 2022, the Department ordered three public hearings and two contested case hearings on encroachment permit applications. Two were approved, two were denied, one was partially approved.

- **Negotiated Rulemaking.** In compliance with Executive Order 2020-01, the administrative rule "Rules Governing Leases on State-Owned Navigable Waterways," IDAPA 20.03.17, was approved as a pending rule for review by the 2023 legislature. A rulemaking packet was prepared for the legislative session. Permission was also obtained to start negotiated rulemaking for "Riverbed Mineral Leasing in Idaho," IDAPA 20.03.05.

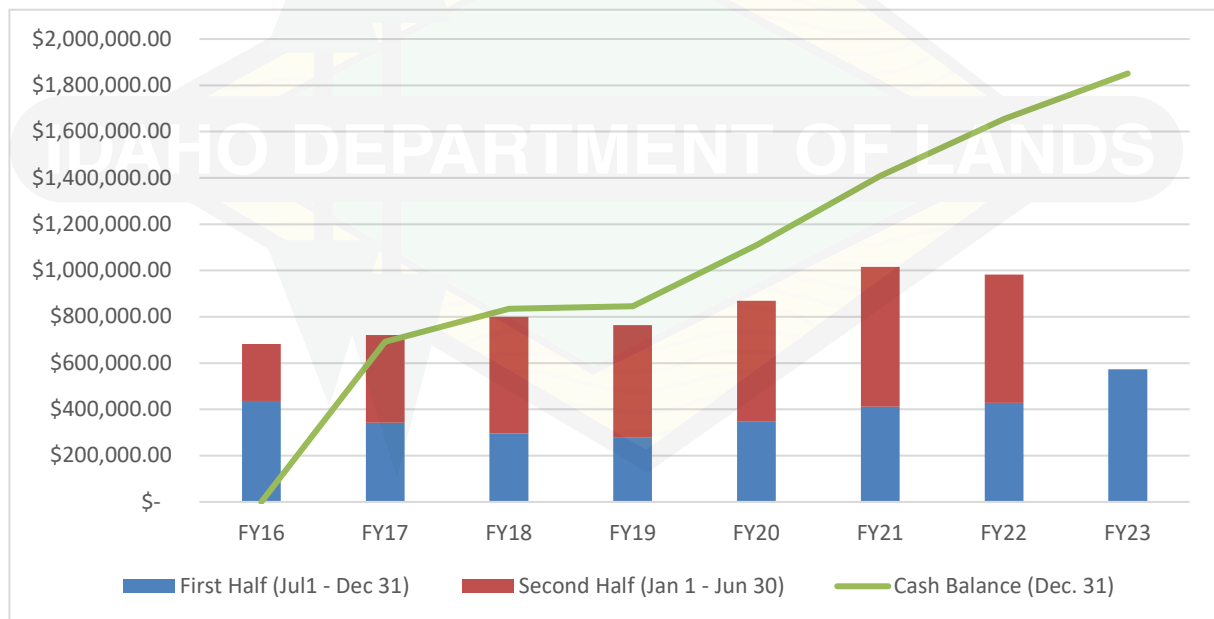
NEXT 6 MONTHS

- **Research and Negotiated Rulemaking.** Research is almost completed for "Riverbed Mineral Leasing in Idaho," IDAPA 20.03.05. This rule will be negotiated in 2023 prior to the old rules being repealed in 2024.

FINANCIAL UPDATE

- The Department generated \$573,436 from navigable waterways in the first half of FY2023. This is 63% more than the 5-year average of \$351,793 for this 6-month period.

Figure 1: Navigable Waterways Program Revenue and Cash Balance



Regulatory Minerals Program

PAST 6-MONTH HIGHLIGHTS

- **Large Mine Reviews.** The Department provided comments for a Draft Supplemental EIS prepared for Perpetua Resources' Stibnite Gold Project and is working with Department of Environmental Quality (DEQ) to review the supporting documents for the cyanidation permit and permanent closure plan. A Final EIS was issued for Husky 1 North Dry Ridge proposed by Itafos. Integra's DeLamar Mine expansion has been redesigned and they are working on a modified proposed plan for the agencies.

LOOKING FORWARD

- **Cyanide Permanent Closure Plan.** The Department anticipates that Perpetua will submit a revised Permanent Closure Plan and Ore Processing by Cyanidation Application to the Department and DEQ for review.

TOTAL PERMITS AND BONDING

The Department currently administers 1,556 mine sites covered by reclamation plans and 30 covered by dredge and placer permits. The mines are presented in Table 2 by category, and Table 3 has historical plan numbers.

Table 2: Current Mine Permit Categories			
Sand and Gravel Mines (IDAPA 20.03.02.069)	Hardrock, Phosphate & Complex Industrial (IDAPA 20.03.02.070)	Cyanidation Mines (IDAPA 20.03.02.071)	Dredge and Placer Permits (IDAPA 20.03.01)
1524	32	-	30

Table 3: Regulatory Minerals Historical Instrument Numbers										
Instrument Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Mined Land Reclamation										
New Reclamation Plans	20	25	36	24	18	28	17	10	10	16
Retirements	17	14	36	15	22	9	13	7	14	11
Total Reclamation Plans	1,537	1,528	1,530	1,542	1,540	1,561	1,580	1,574	1,545	1,556
Dredge and Placer										
New/Amended Permits	0	1	3	3	1	2	0	1	2	0
Retirements	-	-	-	2	0	1	0	0	0	1
Total Permits	25	25	25	26	27	28	28	29	31	30
Note: Inspections, Amendments, and Non-compliance are not currently tracked										

Mine operators are eligible to provide bonding through traditional methods or the Bond Assurance Fund (BAF). Tables 4 and 5 list the acres and bond amounts currently in place for different types of mining operations. Created in 2006, the BAF provides another reclamation bonding option for small operators on private and state lands. This is a dedicated account with revenue from annual fees of approximately \$156,000 per year. Billings are mailed in September with a November 1 due date. Table 6 has revenue from the FY2023 billing. Figure 2 illustrates the revenue, expenditures, and balance for this fund.

Table 4: Bonding for Sand and Gravel, Light Industrial, and Placer Permits								
	Reclamation Plans (IDAPA 20.03.02.069)				Dredge and Placer Permits (IDAPA 20.03.01)			
	Plans	Permitted Acres	Total Bond	Bond/Acre	Permits	Affected Acres	Total Bond	Bond/Acre
Traditional Bond ¹	307	22,315	\$24.3 Million	\$1,088	22	167	\$235K	\$1,409
Bond Assurance Fund	607	31,676	n/a	n/a	8	63	n/a	n/a

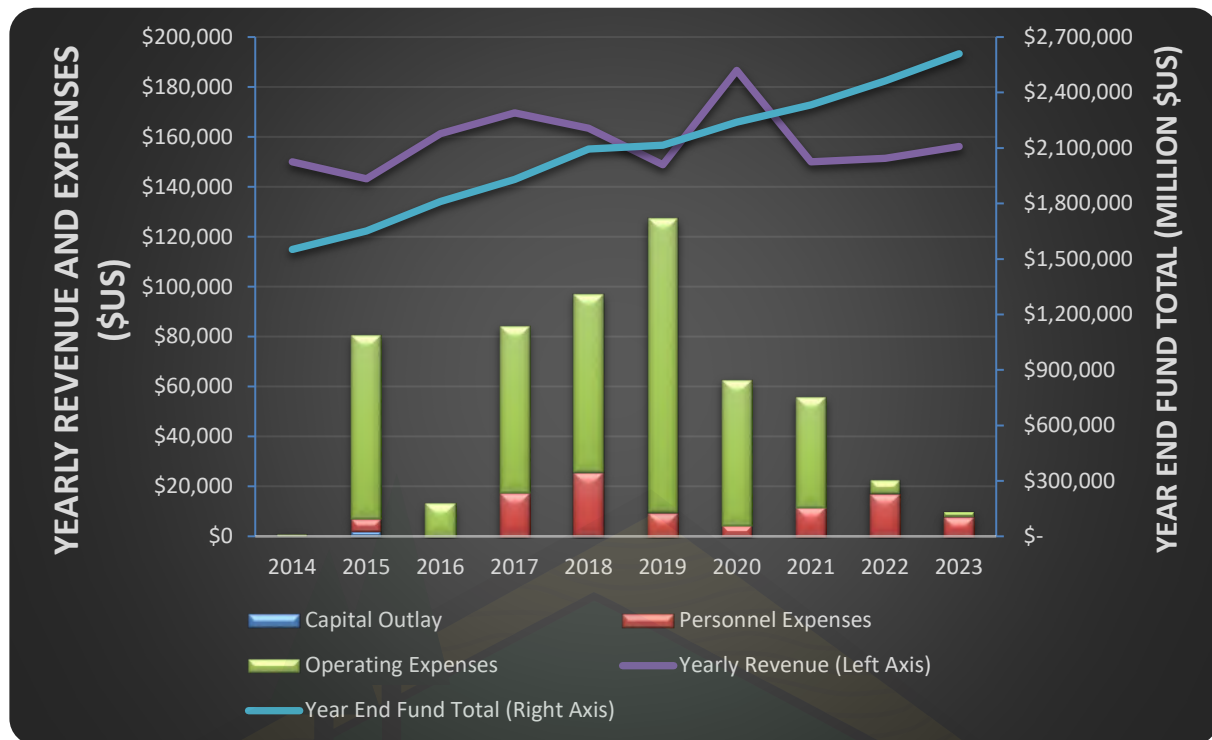
¹ Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

Table 5: Bonding for Hardrock, Phosphate & Complex Industrial				
Reclamation Plans (IDAPA 20.03.02.070)				
	Permits	Permitted Acres	Total Bond	Bond/Acre
Traditional Bond ¹	32	22,003	\$223 Million	\$10,147

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

Table 6: Bond Assurance Fund Billing (For FY2023)			
Disturbance (ACRES)	Annual Fee Schedule (\$)	Total Permits Distribution	Total Annual Fees Due (\$)
2 acres or less	\$100	157	\$15,700
> 2 acres ≤ 5 acres	\$200	148	\$29,600
> 5 acres ≤ 10 acres	\$250	137	\$34,250
> 10 acres ≤ 15 acres	\$300	53	\$15,900
> 15 acres ≤ 20 acres	\$350	39	\$13,650
> 20 acres ≤ 25 acres	\$400	24	\$9,600
> 25 acres ≤ 30 acres	\$450	24	\$10,800
> 30 acres ≤ 35 acres	\$500	8	\$4,000
> 35 acres ≤ 40 acres	\$550	17	\$9,400
TOTAL		607	\$142,900.00

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

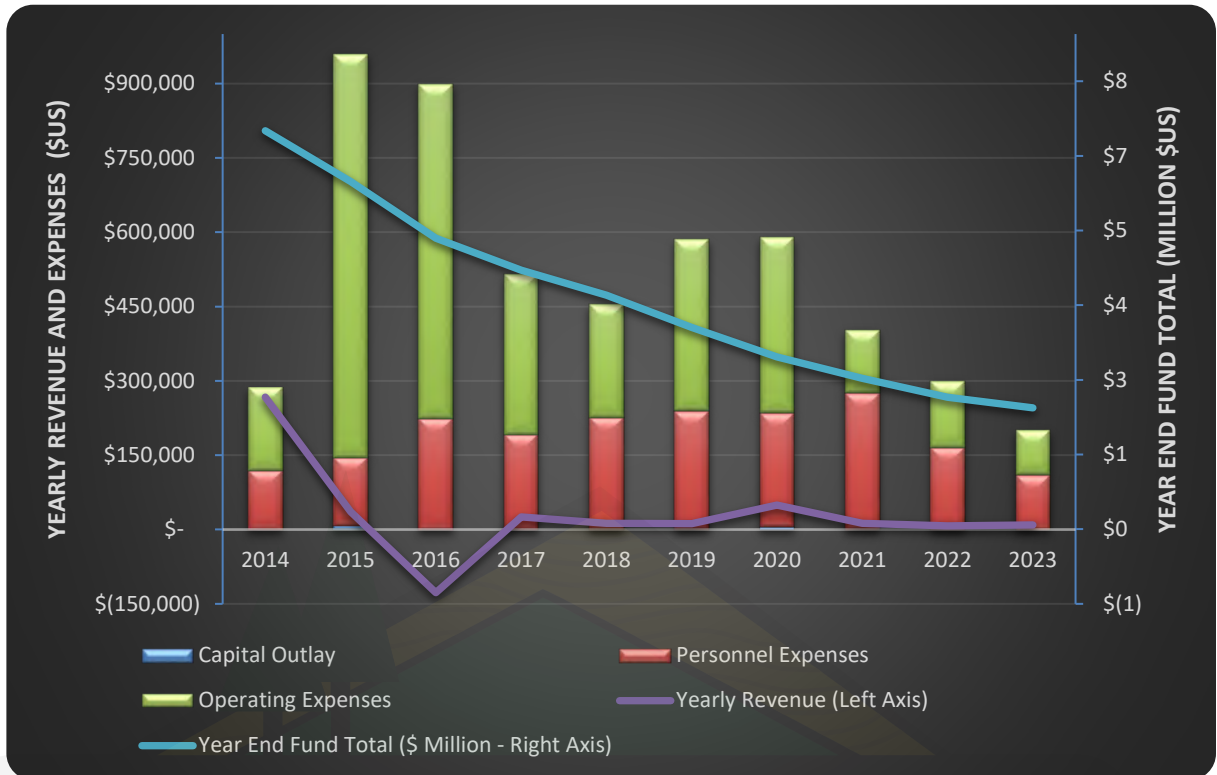


ABANDONED MINE LANDS

The abandoned mine lands (AML) program is funded through 34% of Idaho's Mine License Tax, a 1% net tax of Idaho's mining industry (excluding sand and gravel as described in Idaho Code § 47-1205). The Department's share of income for the first half of FY2023 was \$9,574. Table 7 lists the projects worked on in the first half of FY2023. Figure 3 illustrates the revenue, expenditures, and balance for this fund.

Table 7: Abandoned Mine Lands Projects July through December, 2022	
Project Name	Project Description
Triumph Mine	Sampling, ground water modeling, site drainage, NPDES permitting.
Idaho Geological Survey	AML information compilation and digitization.
Project Planning	Inspected several sites across the state for closures.

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



IDAHO DEPARTMENT OF LANDS



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

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through January 31, 2023

Month: 5.2% Fiscal year: 8.1%

Financial markets moved higher in January as Europe was helped by lower natural gas prices, China began to reopen as it relaxed COVID-zero policies and the U.S. continued to experience moderating inflation and a resilient labor market. The improvement in business sentiment is welcome, but it remains to be seen how quickly inflation will cool and how long the Federal Reserve will maintain its restrictive monetary policy. Investors have started to anticipate the Federal Reserve may cut interest rates in the not-too-distant future, but the Fed insists it is unlikely it will cut rates in 2023 because doing so prematurely could result in a reacceleration of inflation.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 are well secured.

Significant actions of the Endowment Fund Investment Board

None.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events

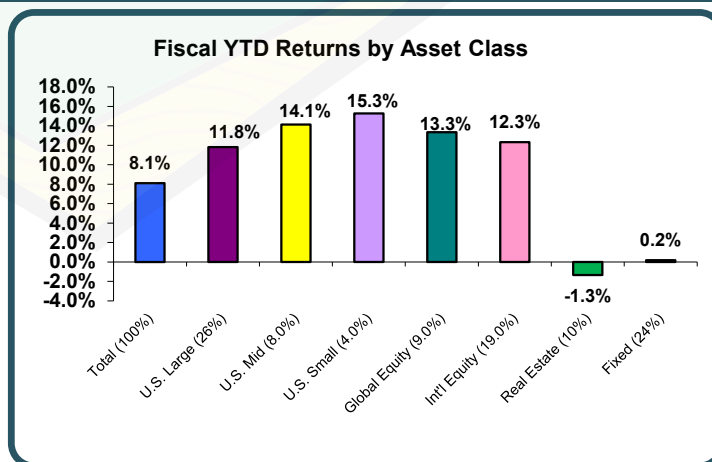
Board Meeting – February 16, 2023

	Month	FYTD
Beginning Value of Fund	2,765,533,583	\$ 2,723,562,805
Distributions to Beneficiaries	(8,359,583)	(58,767,081)
Land Revenue net of IDL Expenses	2,731,086	42,227,000
Change in Market Value net of Investment Mgt. Expenses	147,633,814	200,516,176
Current Value of Fund	\$ 2,907,538,900	\$ 2,907,538,900

	Current Month	Calendar Y-T-D	Fiscal Y-T-D	One Year	Three Year	Five Year	Ten Year
Gross Returns							
Total Fund	5.2%	5.2%	8.1%	-5.8%	6.3%	6.2%	8.0%
Total Fund Benchmark*	5.5%	5.5%	7.4%	-5.1%	5.7%	5.6%	7.6%
Total Fixed	3.3%	3.3%	0.2%	-8.7%	-2.0%	1.2%	1.4%
BBG U.S. Agg. (Ag)	3.1%	3.1%	0.0%	-8.1%	-1.7%	1.2%	1.5%
Total Equity	7.6%	7.6%	12.7%	-6.1%	9.4%	7.9%	10.4%
57% R3 29% Ax 14% AC	7.3%	7.3%	10.1%	-7.4%	7.5%	6.4%	9.7%
Domestic Equity	7.5%	7.5%	12.7%	-6.1%	10.6%	9.3%	12.4%
Russell 3000 (R3)	6.9%	6.9%	9.4%	-8.2%	9.5%	9.1%	12.3%
Global Equity	7.0%	7.0%	13.3%	-6.3%	9.1%	7.6%	8.0%
MSCI ACWI (AC)	7.2%	7.2%	9.6%	-8.0%	6.8%	5.5%	8.2%
Int'l. Equity	8.3%	8.3%	12.3%	-6.3%	7.1%	5.3%	6.3%
MSCI ACWI ex-US (Ax)	8.1%	8.1%	11.3%	-5.7%	3.6%	1.4%	4.2%
Real Estate			-1.3%	4.8%	7.8%	7.6%	
NCREIF ODCE Index (OD)			4.9%	21.0%	11.4%	9.3%	

* Benchmark: 38% Russell 3000 19% ACWI ex-US 9% AC 24% BB Agg. 10% OD

	Mkt Value	Allocation
Domestic Equity	\$ 1,090.0	37.5%
Large Cap	738.3	25.4%
Mid Cap	229.3	7.9%
Small Cap	122.4	4.2%
Global Equity	278.5	9.6%
Int'l Equity	576.8	19.8%
Fixed Income	657.1	22.6%
Real Estate	289.7	10.0%
Cash	16.3	0.6%
Total Fund	\$ 2,907.5	100.0%



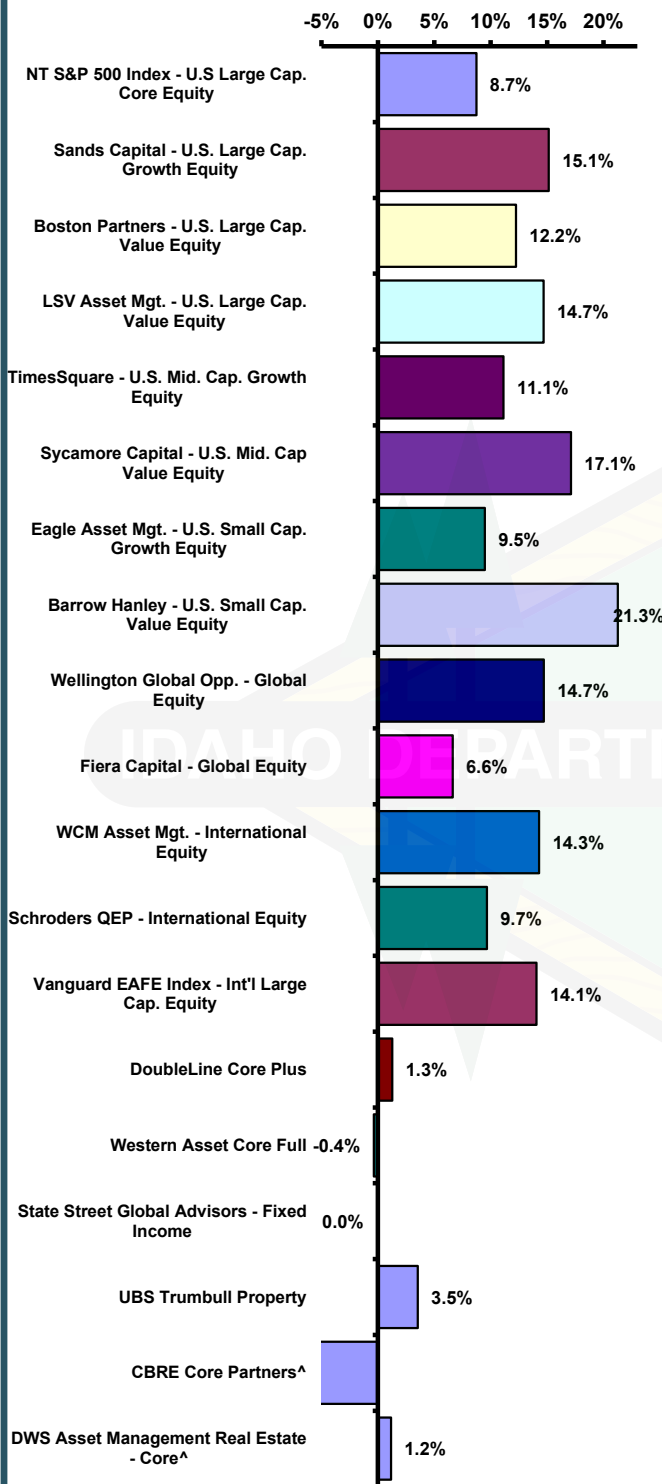
Endowment Fund Staff Comments:

Financial markets moved higher in January as Europe was helped by lower natural gas prices, China began to reopen as it relaxed COVID-zero policies and the U.S. continued to experience moderating inflation and a resilient labor market. The improvement in business sentiment is welcome, but it remains to be seen how quickly inflation will cool and how long the Federal Reserve will maintain its restrictive monetary policy. Investors have started to anticipate the Federal Reserve may cut interest rates in the not-too-distant future, but the Fed insists it is unlikely it will cut rates in 2023 because doing so prematurely could result in a reacceleration of inflation.

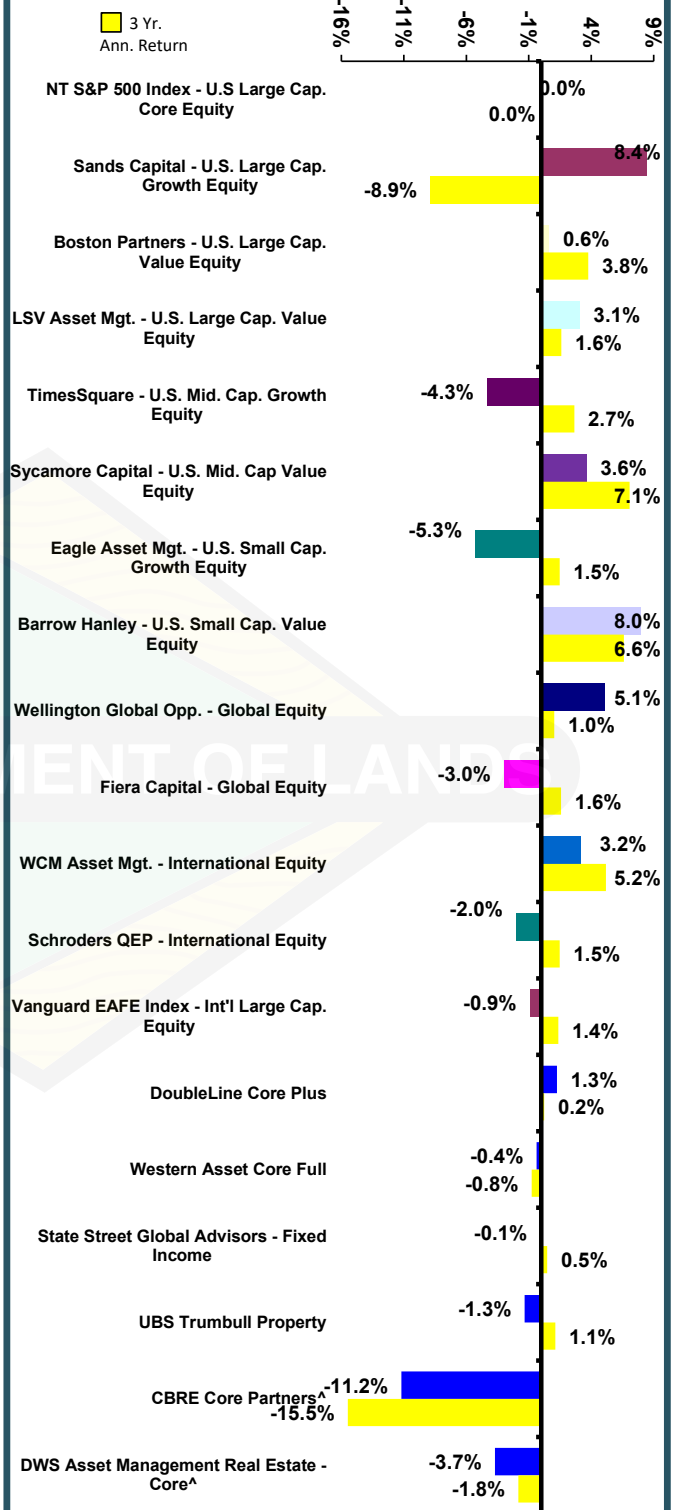
January 31, 2023

INVESTMENT REPORT

FYTD Manager Returns



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



^ Most recent valuation. * I-T-D'



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 December 20, 2022

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, December 20, 2022 at the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 West Jefferson, Boise, Idaho, and via webinar. The meeting began at 9:16 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 State Controller Brandon Woolf

Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, Governor Little acknowledged the presence of four Land Board members. Attorney General Wasden was absent.

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

Director Miller: Alright, well thank you Governor. I just want our staff to know how much we appreciate all their hard work and dedication this past year and as you saw, the proof is right there. At this time, Governor, before I jump into the Department Report, I want to recognize our outgoing members on the Land Board. General Wasden is unfortunately unable to be here today, but I would like to recognize Superintendent Ybarra and Secretary Denney. Just wanted to thank you both for your service on the Land Board, your steadfast support of our endowment beneficiaries, and of course the staff at the Department of Lands. You have been wed to the mission and because of your involvement, we have accomplished some incredible things for the endowments and for the health and resiliency of Idaho's abundant land and natural resources. With that, I would like to present you each with a plaque from the Department of Lands.

Superintendent Ybarra: Awesome, thank you so much. I appreciate that, thank you.

[Editor's note: the Discussion portions, if any, for agenda items may be 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 – November 2022
- B. Leases and Permits – November 2022

Discussion:

Governor Little: Dustin, are these the sales that we did the bridge at a previous meeting?

Director Miller: Governor, yes, the Wild Cat Cedar Sale is the one at Priest Lake with the bridge.

Governor Little: What does that do to the bridge?

Director Miller: Governor, I do not know yet. I know there is some concerns over the surfacing of the road as well as surfacing over the bridge. We need to work through those concerns, and we will keep you apprised of those additional details.

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

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

Discussion:

Chris Anton: Good morning, Governor, members of the Land Board. Financial markets rebounded in November as there was further evidence that inflation is rolling over and hints that China may begin to relax its COVID-zero policies. The portfolio was up 5.7% for the month and left us up 5.7% fiscal year-to-date. We were basically at break-even at the end of October. Since the end of the month, we did see inflation come down, headline inflation peaked around 8.2%, was reported at 7.1%. We have seen goods prices move lower the last four months and housing services prices are beginning to come down given the higher mortgage rates and the drop in new lease prices. Labor markets have been extremely strong. The number of job openings declined modestly from 10.7 million to 10.3 million, however there is still about 1.8 jobs for every person looking for work; the labor market is still very strong. Federal Reserve Chair Powell indicated that it makes sense to slow the pace of interest rate increases, but that the policy rate will likely need to remain restrictive for some time. When the Federal Reserve met last week, they did increase the Federal Funds rate by 0.5% which is less than the 0.75% they increased it the prior two months which left the Federal Funds rate at 4.5%. If you look at what is called the dot plot, which is the Board of Governors' estimate of where it will peak, it is estimated to peak around 5.1%. We are getting close to the peak rate and the question now is how long will they keep rates in this restrictive territory, which certainly is designed to slow inflation, but will also slow the economy; it is a fine balancing act. Financial markets are optimistic that inflation will continue to moderate and that we will see that peak Federal Funds rate early in the new year.

Governor Little: When do we mark our real estate to market? It does not show on the monthly calendar year-to-date even though it is an index.

Mr. Anton: Our real estate is in two different private funds. Those are marked to market every quarter. Every quarter they have an appraisal, but there is a lag in that reporting; we usually get it two months after the end of the quarter. I anticipate we will start to see a slowdown in the performance of our private real estate funds. We had a great year last year; they are still earning a fair amount of income but in terms of the valuations they are coming down.

Consent—Action Item(s)

- 3. Disclaimer of Interest Request DI600316-Wander Property LLC, Boise River** – *Presented by Mick Thomas, Division Administrator-Minerals, Navigable Waterways, Oil and Gas*

Recommendation: Direct the Department to issue a Disclaimer of Interest for one parcel totaling 11.66 acres of the former bed of the Boise River, to Wander Property LLC following their payment to the Department of the remaining processing fee of \$300.

Discussion: None

- 4. Disclaimer of Interest Request DI600318-Oregon Trail Landmark LLC, Boise River** – *Presented by Mick Thomas, Division Administrator-Minerals, Navigable Waterways, Oil and Gas*

Recommendation: Direct the Department to issue a Disclaimer of Interest for two parcels totaling 2 acres of the former bed of the Boise River, to Oregon Trail Landmark LLC following their payment to the Department of the remaining processing fee of \$300.

Discussion: None.

- 5. Disclaimer of Interest DI600319-Riverside Hospitality LLC, Boise River** – *Presented by Mick Thomas, Division Administrator-Minerals, Navigable Waterways, Oil and Gas*

Recommendation: Direct the Department to issue a Disclaimer of Interest for four parcels totaling 3.4 acres of the former bed of the Boise River, to Riverside Hospitality, LLC following their payment to the Department of the remaining processing fee of \$300.

Discussion:

Controller Woolf: Thank you, Mick for the background. I have a quick question on these last two, what is the timing of why were these brought now? These have been part of this Boise area for a long, long time...trying to understand that.

Mick Thomas: Governor, Controller Woolf, that is a good question, thank you. To give you a little background, briefly, the application was initially made earlier this year, spring of 2022. It takes the Department a certain amount of time to process each of these as we go along. I will say from experience disclaimers are brought up whenever there is a desire to clear the title, a property exchange or something involving the title of the land. That is why we address them in a responsive way; if there is a need to clear title, usually through a purchase or sale, then they

realize we need to clear the title to move forward. That was the reason for this. There is something going on with the title and they needed to clear it.

Controller Woolf: What is the normal time frame for doing any type of disclaimer like this on accreted land?

Mr. Thomas: It really depends on the volume we are dealing with and the area. I know here in southwest Idaho our Southwest Office is averaging about six months from the time the application is received to the time it gets processed and brought before the Land Board. That is what we are averaging on that.

Secretary of State Denney: It brings up questions in my mind, what about the buildings that are already there; explain this process to me.

Mr. Thomas: This property specifically, the one you are referring to, was built I think in 1970. The Boise River has been pretty much where it is right now since the late '40s when the dams were built. The property was, based on what I understand, constructed involving a clouded title. I do not know how the financing happened for that, maybe it was self-financed. Ultimately the Department's resolution is the same. It is a clouded title, we do not own the upland, so it behooves us to consider that. As you may recall, before the Land Board decided to go through the disclaimer process, it was all done through quiet title action which was longer and more expensive for both parties.

Governor Little: Fellow Board members, we originally had an item on the agenda today to talk about this, these two cases have brought up. We have had mixed messages about whether they can just do quiet title on their own, or whether they have to go through this process. I asked and you all agreed to take it off of the agenda. If you will remember, and it is in the minutes, I asked Eric one or two meetings ago how many of these we had, he said thousands. I do not know that this Board or future boards want to spend all of their board meetings doing this. We have got to figure out, and the policy, what did you say, is 38 years old?

Mr. Thomas: Governor and members of the Land Board, the original Land Board decision was 1984, 28 years old. I would also like to add a little bit, there are *potentially* thousands of disclaimers. We do not currently have thousands of disclaimers pending processing with the Idaho Department of Lands. Again, it is very reactive, when there is a need to clear the title; I think that is what Mr. Wilson was referring to.

Governor Little: Well, if you look at Parcel F, and I have parked there many times, there is a whole bunch of land in the Boise Valley that is lower than the elevation of Parcel F. I cannot figure out how the county assessor...but, regardless, this is our policy, we are going to do this. I think we need to decide what Land Board policy is going forward unless we want to condemn all future Land Board meetings to doing these.

Secretary of State Denney: I am good with that.

Governor Little: We expect to have a robust discussion about it going forward. It is the policy right now, and there is no question that they have title to the land. The question is this little cloud on it that we do not necessarily need to address at every Land Board meeting.

Mr. Thomas: I agree. Thank you, Governor, members of the Land Board.

6. Approval of Draft Minutes – November 15, 2022 Regular Meeting (Boise)

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

Regular—Action Item(s)

7. Approval of Big Fork Cedar Timber Sale – Presented by Jeremy Shawver, Section Manager-Timber Sales

Recommendation: Approve the Big Fork Cedar Timber Sale.

Discussion:

Controller Woolf: Jeremy, real quick question, is there any type of a view shed impact on this timber sale.

Jeremy Shawver: Thank you, Controller. No, when you are looking at the ownership map, it looks across the drainage at other IDL ownership on the other side of the Big Fork Creek there, so there is no view shed concerns with this sale.

Board Action: A motion was made by Controller Woolf that the Land Board adopt and approve the Big Fork Cedar Timber Sale. Secretary of State Denney seconded the motion. The motion carried on a vote of 4-0.

8. Endowment Administrative Sites Policy – Presented by Bill Haagenson, Deputy Director

Recommendation: Approve the proposed policy regarding endowment administrative sites.

Discussion:

Governor Little: Bill, what the Department is asking us to vote on is to not have to advertise, but all of these withdrawals are still going to come back to the Land Board?

Bill Haagenson: Governor and members of the Board, that is correct. Any additions to the list would be brought to the Board.

Controller Woolf: A couple of questions for you, Bill, thank you. It is mentioned in here about partners, I just wanted to clarify who the partners are. It listed up here in the discussion and then down in item E it said use of administrative sites by partners or other agencies. Are the partners,

are those like TPAs? And then the other agencies understandable, I wanted to make sure that was clear.

Mr. Haagensohn: Governor, Mr. Controller, that is correct. The TPAs are a good example of partners; to the extent that the work they do protects endowment resources, they would qualify as a partner under this policy.

Controller Woolf: On the attachment you have the current list that you are recommending. My one quick question is understanding the current headquarters here in Boise is also on some endowment land or it is an owned endowment piece. How is that not on this list and what differentiates it because to me reading the criteria, it still meets that criteria. Help me understand that.

Mr. Haagensohn: Governor, Mr. Controller, the decision around our headquarters office, which is owned by State Hospital South and Normal Schools, but serves all of the endowments in effect, the decision there is when you look at the Boise market and the availability of potential other sites, we could move our headquarters operations if that need was presented. If someone wanted to lease our headquarters building, which we do go through an advertising process on and did so just recently, we could relocate our operations. There would be a cost associated with that, but it would be feasible to do so. That is the reason we left that off this list.

Governor Little: I assume this list are just current ones. There are lots of them out there right now, are there not?

Mr. Haagensohn: Governor and members of the Land Board, this is based on information from our staff, this is everything that we have identified that we need to put on this list at this time.

Governor Little: So, all the Department of Lands buildings in Coeur d'Alene, McCall, all of those...well it does list 6 acres here at Deinhard.

Mr. Haagensohn: Yes, Governor, McCall is on there because that one is on endowment land. The others are not on land owned by the endowments and therefore not subject to the same requirement to advertise for lease.

Board Action: A motion was made by Controller Woolf that the Land Board approve the proposed policy regarding Endowment Administrative Sites. Secretary of State Denney seconded the motion. The motion carried on a 4-0 vote.

9. Endowment Land Exchange Policy – Presented by Jim Elbin, Division Administrator-Trust Land Management

Recommendation: Adopt the Endowment Land Exchange Policy.

Board Action: A motion was made by Controller Woolf that the Land Board adopt the Department's recommendation and approve the new Endowment Land Exchange Policy. Secretary of State Denney seconded the motion. Governor Little added a caveat to the motion that the Land Board will further consider and refine two of the Land Exchange Criteria listed in

Section II.C. of the proposed policy: Equal or Greater Value and Disguised Sale (*see Discussion section below*). The motion carried on a vote of 4-0.

Discussion :

Governor Little: Okay, we have a motion. I have some issues with this. I am okay with approving it, but I think there is some of the language...we have had some pretty wide differences on appraisal values, and also the issue of disguised sale. I would be okay with accepting it, if the Board agrees to go back and relook at the language behind disguised sale, and the lesser or greater value, given the fact that we have had some appraisals that have not been within 15% of what the ultimate value was, that we maybe give better direction on how we do appraisal and how we look at what can be determined by one person as the disguised sale. Have you any thoughts, other Board members? I am saying approve it with the caveat that we are going to look at those two areas.

Secretary of State Denney: Governor, my thought on that is we go through that process before we allow them authority to go through the due diligence process. I think we can cover it in that.

Governor Little: When I look at this, you are saying in essence one person can determine whether it is a disguised sale rather than us collectively determining it as a disguised sale. I agree with you, but I think that is why we ought to come back and maybe refine it further. I am delighted that the staff went out and got us this far down the road because we need the policy, but these appraisals, you get a friendly appraisal and...there is a reason that all our VAFO sales go flying through, it is because of the way we appraise them. If we can put that in the minutes, those conditions in the minutes, then I am okay. Any other comments or questions? All in favor say aye.

10. Cottage Site Leasing: 2025 Plan – Presented by Jason Laney, Section Manager-Endowment Leasing

Recommendation: Adopt the 2025 Cottage Site Leasing Plan

Discussion:

Governor Little: Jason, is there a possibility that people will sign up for the 4%, what would preclude them from coming to the Board early and say I want to go through the VAFO process and buy? Is this embedded in stone that they are on the hook for 15 years, 5 years, or whatever the number is?

Jason Laney: Governor, members of the Board, with the way we wrote the plan, there would be that option to enter a VAFO auction, if we were offering it early.

Governor Little: Really, what are we doing here?

Mr. Laney: Well, I think that fulfills the goal to unify the estate and gives an opportunity to get those off the books even sooner by leaving that open.

Controller Woolf: Governor, just a comment. I appreciate the Department trying to bring it down, shorten the time frame from 30 years down to 15 years, 10, and 5 and putting some more

boxes around this. I appreciate you doing that and putting where you have the rent it gives direction and a plan and a vision for us and the cottage lessees.

Governor Little: My only issue is...I have already thrown the appraisal industry under the bus once...[laughter]. It depends upon whose appraiser it is, about that value.

Board Action: A motion was made by Controller Woolf that the Land Board adopt the 2025 Cottage Site Leasing Plan as approved and recommended by the Department. Secretary of State Denney seconded the motion. The motion carried on a 4-0 vote.

11. Land Board Meetings Policy – Presented by Scott Phillips, Policy and Communications Chief – Presented by Scott Phillips, Policy and Communications Chief

Recommendation: Adopt the proposed changes to the Guidelines for Regular and Special Meetings of the State Board of Land Commissioners, superseding prior decisions pertaining to meeting administration.

Discussion: Governor Little commented that Townhall Idaho is pretty special; Mr. Phillips agreed.

Board Action: A motion was made by Controller Woolf that the Land Board adopt the Department's recommendation and the proposed changes to the guidelines for the regular and special meetings of the State Board of Land Commissioners superseding the prior decisions pertaining to the meeting administration. Governor Little seconded the motion. The motion carried on a vote of 4-0.

12. Stakeholder Proposed Recreation Legislation – Presented by Scott Phillips, Policy and Communications Chief

Recommendation: Authorize the Department to support the stakeholder legislation that addresses recreational impacts on endowment land.

Discussion:

Controller Woolf: Thanks, Mr. Phillips. Any impact or insight from the law enforcement side on this bill and the coordination that way, any feedback from them?

Mr. Phillips: Under the MOA with Fish and Game the Department has, we contract for the services of two FTEs of senior conservation officers. We have been talking to them about this and we think this is going to be received very favorably because it is actually a tool that prosecuting attorneys are, we believe, willing to employ. In the past when we have alerted law enforcement upon instances of damage on endowment land, given the fact that criminal trespass was the only choice, sheriffs did not want to write tickets on it. We think this is a straightforward, more simple approach to it. We do not anticipate a lot of tickets will be written under this statute. What we do see, though, is the educational value of it. If someone goes out and does something he should not be doing on endowment land, and he is held accountable with this statute, it allows us to tell that story of what happens when you do things that are prohibited on endowment land. At the end of the day, our goal with this legislation is to curb the damage so we can keep endowment

land open for public access. Unfortunately, when we have cases of severe damage to endowment land, the only recourse is to close it down and that is really the last thing that we want to do. We are hoping this legislation will help give us another tool.

Governor Little: Scott, or Dustin, this is not going to be Department legislation. I mean, whose name is going to be on the statement of purpose.

Mr. Phillips: Mr. Chairman, that is correct, this will not be IDL legislation. David Claiborne from the Idaho State ATV Association will be the primary sponsor of it. We have also received interest from a handful of legislators to be behind the bill as well.

Governor Little: It is not Department or Land Board legislation?

Mr. Phillips: That is correct, sir. We are just seeking approval because of Board policy that says we cannot get in front of or behind legislation without your permission.

Governor Little: What does behind legislation mean?

Mr. Phillips: That is my Clearwater-ese, sir *[laughter]*. To support or oppose.

Governor Little: Our name will be on the SOP?

Mr. Phillips: No, our name will not be on the SOP, but this will free me to talk to legislators in a positive way about the bill and to let them know that this is something that the Department wants.

Governor Little: Are you going to hunt out legislators or are you going to respond to inquiries?

Mr. Phillips: Both, sir.

Governor Little: Sounds like you are supporting the legislation...

Director Miller: Governor, the question is, is the Land Board supportive of this concept and wanting the Department to advocate for this particular piece of legislation, which has not been, obviously, drafted yet, but shortly after the session we expect it to be. We are not the driver behind it, we are just then supporting the groups with technical information as to the need for something like this.

Superintendent Ybarra: Governor, I am just super uncomfortable. I like the concept, but I have been around long enough to know that until I see it, I am a little uncomfortable.

Mr. Phillips: I think to clarify what the Director said, we have a draft bill. It is included in attachment 1 of your materials. We have had multiple meetings with the stakeholders listed in your briefing materials. They have all agreed in principle that this is what they want to do. I do not foresee the legislation as it is written in draft format in your briefing materials changing at all, or even in a minor way, until it is introduced. Again, it is a long way until the session starts even though it is just around the corner. There are things that could be changed, but there has been no discussion among the stakeholders to make other changes to the bill.

Superintendent Ybarra: Governor, much like earlier when you put some stipulations on our other vote, could we put in the minutes if there are any changes, that would need to come forward? Even though I am not going to be here, I am uncomfortable voting for something that I am not going to see or know what those changes are moving forward. It is a little ambiguous for me.

Governor Little: I think we all agree we are in favor of the concept of more fair administration of how we do law enforcement. It actually depends a lot of times upon what county you are in. You have a county with a big prosecutor staff, they do all kinds of things. You go to some of these rural counties, and you tell them you got anything that is going to go into the misdemeanor category, they just do not have time to do it. But it is the concept that we want better compliance with the laws on endowment lands. I am uncomfortable about here is an RS and we support it without all the duly elected constitutional officers. If it is something administrative for the Department, that is totally different, but you have a lot of players in this one. I do not think anybody would have a problem with us supporting the concept.

Controller Woolf: Governor, maybe as an opportunity once this does become RS'd or becomes a bill, that could come again, based on timing, to fit within our schedule when we meet again, whether it is January, February, March. That would be presented again, and we could have more details based on these comments.

Mr. Phillips: Mr. Chairman and members of the Board, our understanding is that a January meeting at this point is unlikely for the Board, at least that is the direction we have been going towards. If that occurs, that would create some compression issues and timing to get this before you before it starts to work its way through the system. My preference would have been to bring this to you next month, that was actually the original thought, once there was a bill introduced.

Governor Little: All we are saying is we sure as heck do not oppose it; we are for the concept. There is a pretty good list of supporters there, no disrespect to the Department of Lands, but I think this baby is going to have legs under it with or without the Department of Lands. We are saying we are sure not opposed to the concept that is here; if there is a big change you just send it to us individually and if we have to, we will have an emergency meeting.

Mr. Phillips: We could do that, sir.

Secretary of State Denney: Governor, you made a comment that, or you asked if they were actually going to lobby the bill, I think that is a little bit different. I would feel more comfortable if you were not actively lobbying for the bill. I would appreciate you to be there and if you are asked a question to give your position on it, rather than going out and meeting individual legislators and trying to twist their arm to support it.

Superintendent Ybarra: Governor, are you having a Land Board meeting in January? Did I hear you are, or you are not? Is that the direction?

Governor Little: We may not. We have some rookie Board members, and we are talking about doing Board 101 and we may. Regardless, if it is substantive, we can have an emergency meeting. In fact, each one of the constitutional officers can support it individually rather than collectively if they so choose.

Controller Woolf: Is a motion even necessary?

Governor Little: You tell me, Director Miller.

Director Miller: Governor, what we will do since there likely will not be a meeting in January, we can table this and continue to have conversations about this as the bill develops. I like your idea, Governor, about potentially, if need be, get the Board together to make a vote. We can certainly do that over a Zoom call on this particular item, and I misspoke, and Scott thank you for clarifying. There is draft language and it is in your binder. Certainly, I can support coming together if we need to, a special meeting to discuss this piece of legislation.

Governor Little: I think I am with all four of us...we appreciate the concept, but to start taking legislation that is a little out of our field and actively lobbying for it is maybe a stretch of what we have done in the past. I think it is good that you brought it up, but I am guessing this thing is going to fly off the floor whether you are there or not.

Director Miller: Governor, if I might, and to the Secretary's statement, is there comfort in the Department being there in committee, if and when it does get introduced, to offer technical advice?

Governor Little: The issue is being there, you say the Board looked at the draft language, they have no problems with it. I think that will go a long way. I just do not think you need to be chasing people down those halls out there.

Director Miller: Understand.

Board Action: A motion was made by Controller Woolf to hold this agenda item. Superintendent Ybarra seconded the motion. The motion carried on a vote of 4-0.

Information

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

13. Idaho Master Cooperative Wildland Fire Management and Stafford Act Response Agreement – Presented by Josh Harvey, Bureau Chief-Fire Management

Discussion:

Governor Little: Josh, we did not think we were going to get there. When do you think this thing will be finalized? Is it going to be toward the end of the year, next year?

Mr. Harvey: I am going to say that full implementation will start taking place in '24. There are still details to work through. Still need to see what resources...

Governor Little: Fiscal year '24, or calendar year?

Mr. Harvey: Calendar year '24. Need to see what resources make it through the legislature. That is going to determine what our response looks like.

Governor Little: You got to my next question. If we do not have a full-blown Board meeting in January, in February can you give us your best estimate of the highest this is going to cost, the lowest, and what you think it might be so that we know, not only for the Department of Lands but for the whole state, what we do for fire reimbursement. How it has changed our exposure and the positive effects of more certainty and the negative effects of more responsibility in the urban interface.

Mr. Harvey: My best answer is that I cannot give you a hard number. We spent the last two years, Scott Hayes, my Plans Chief, worked with the federal staff trying to determine what the fiscal impacts of these changes are going to be. All I can say is that there is a potential that it is going to cost the state more. Firefighting, as we have seen over the last ten years, has just gotten nothing but more expensive. In slower years where we have more temperate weather, and we have more smaller fires, say this year for example, it is possible that we could see a slight reduction in costs. But I think you need to ask me that question in five years, Governor.

Governor Little: Well, I am going to ask you now. I am obligated to do a five-year forecast of what the bottom line is, and we know we are going to have years where we are going to have a 40-, 50-, 60-, 70-million-dollar fire year. And we may have years where it is going to be way below what we thought. But, prior to signing this agreement, were those years under normal circumstances, were they going to be, instead of 40, 50, 60, were they going to be 80, 100, 120 million dollars. The Department spends the money, and the legislature writes them a blank check afterwards. I think we have an obligation as we are working through this, and do not get me wrong, I think you guys are doing a great job on this, but I do think there should be some level of expectation about what this is going to cost us in the future. You said a hard answer, I know full well there is not any hard answers but give us a range in the next month or two so we have an idea.

Mr. Harvey: I will get with my staff, and we will work on that, and I will bring that back to you. I cannot do that today, I am sorry.

Governor Little: I cannot either, but we really owe it to the people of Idaho to make a stab at it.

Controller Woolf: I just want to make a comment and thank the Director, Josh, Craig all the team at the Department of Lands, BLM, and Forest Service. I know there was a lot of work. I know you got involved, I know that our federal delegation was involved in this. Again, probably the best is when everyone hurts a little bit, and everyone gives a little bit. But I just want to thank the team for all your work on this agreement, appreciate the coordination to get here.

Governor Little: The Forest Service has come miles from where they were. The new chief was very understanding, but it was because you guys were doing a lot of yeomen's work, congratulations.

Director Miller: Thank you all for the help, Governor, and Land Board.

Executive Session

None

Controller Woolf: Governor, before we adjourn, I would just like to publicly extend my thanks to Sherri, Lawrence, and Lawrence for all your years of service and work for Idaho and partnerships. I call you friends, thank you for all you do and wish you guys the best in your next chapter of life.

Governor Little: I would echo that, Controller Woolf. Having been the newbie on the Board, Lawrence and Brandon in particular, and then Sherri, we got a lot of work done. We are going to have to do 101 for the new Board members, and they might have to call you occasionally about what takes place here, but I have appreciated your service to the people of Idaho. You are friends, and we sure appreciate it.

Superintendent Ybarra: Governor, just want to say thank you. My time on the Board has been awesome and it has been an honor to represent Idaho's school children. Thanks to the staff and to the Director for taking good care of us. Really appreciate it, thank you.

Secretary of State Denney: I have to say what a privilege it has been to serve with you guys on this Board and how much I appreciate the Department of Lands and the professionalism that they bring to every meeting. Also, Chris and the Endowment Fund Investment Board, what a difficult job in volatile times; how easy it was two years ago and how hard it is now. I really appreciate all of your friendship and all the work that you do for the people of the state of Idaho. We appreciate you. God bless you until we meet again.

There being no further business before the Land Board, at 10:41 a.m. a motion to adjourn was made by Controller Woolf. Superintendent Ybarra seconded the motion. The motion carried on a vote of 4-0.

STATE BOARD OF LAND COMMISSIONERS

February 21, 2023

Regular Agenda

Subject

Elk Hyde Timber Sale with clearcut harvest exceeding 100 contiguous acres.

Questions Presented

Shall the Land Board approve the Elk Hyde Timber Sale with clearcut harvest exceeding 100 contiguous acres?

Background

At its December 15, 2015 meeting, the State Board of Land Commissioners (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 harvesting exceeding 100 contiguous acres is one type of sale to be submitted for approval.

Discussion

The Ponderosa Supervisory Area submitted a timber sale in the FY23 plan that has two adjacent clearcut harvest units that exceed 100 contiguous acres. Unit 1 (77 acres) is adjacent to Department ownership that has been previously managed to the north and west. To the east of Unit 1 lies a strip of non-industrial private timber. Unit 2 (89 acres) is within Department ownership that has been previously managed (Attachments 1 and 2). The sale area is located 15.5 air miles east of Deary, Idaho (Attachment 3).

The proposed clearcut harvest for this sale consists of two clearcut units (Attachment 4). Unit 1 (77 acres) and Unit 2 (89 acres) are connected for approximately 200 feet along a secondary, forest road. The unit break is along a watershed divide where Unit 1 flows into Shattuck Creek and Unit 2 flows into Seastem Creek. The preferred seral species are a minor component of the stand and are not expected to produce enough cones and seed for desired natural regeneration. The site will be planted with a mix of seral species that will optimize the site's potential. Adjacent stands 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 Ponderosa Area Forest Asset Management Plan.

Recommendation

Approve the Elk Hyde Timber Sale.

Board Action

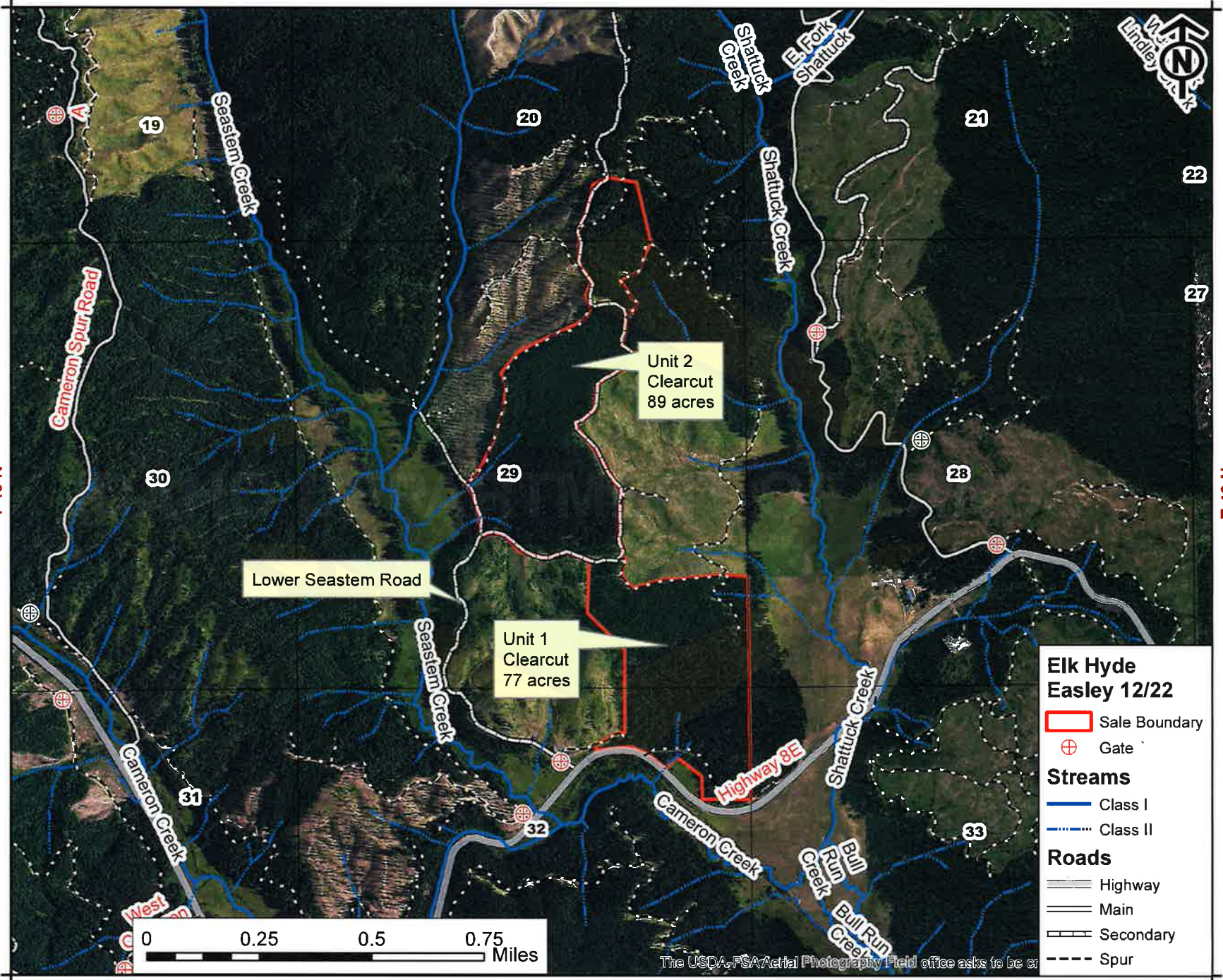
Attachments

1. Sale Map
2. Ownership Map
3. Vicinity Map
4. Clearcut Justification
5. Timber Bureau Approval Memo



IDAHO DEPARTMENT OF LANDS

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CR410140
Elk Hyde

Sale
Map

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Exhibit C
Page 1 of 1
ATTACHMENT 1

**Elk Hyde
Easley 12/22**

Sale Boundary

Gate

Streams

Class I

Class II

Roads

Highway

Main

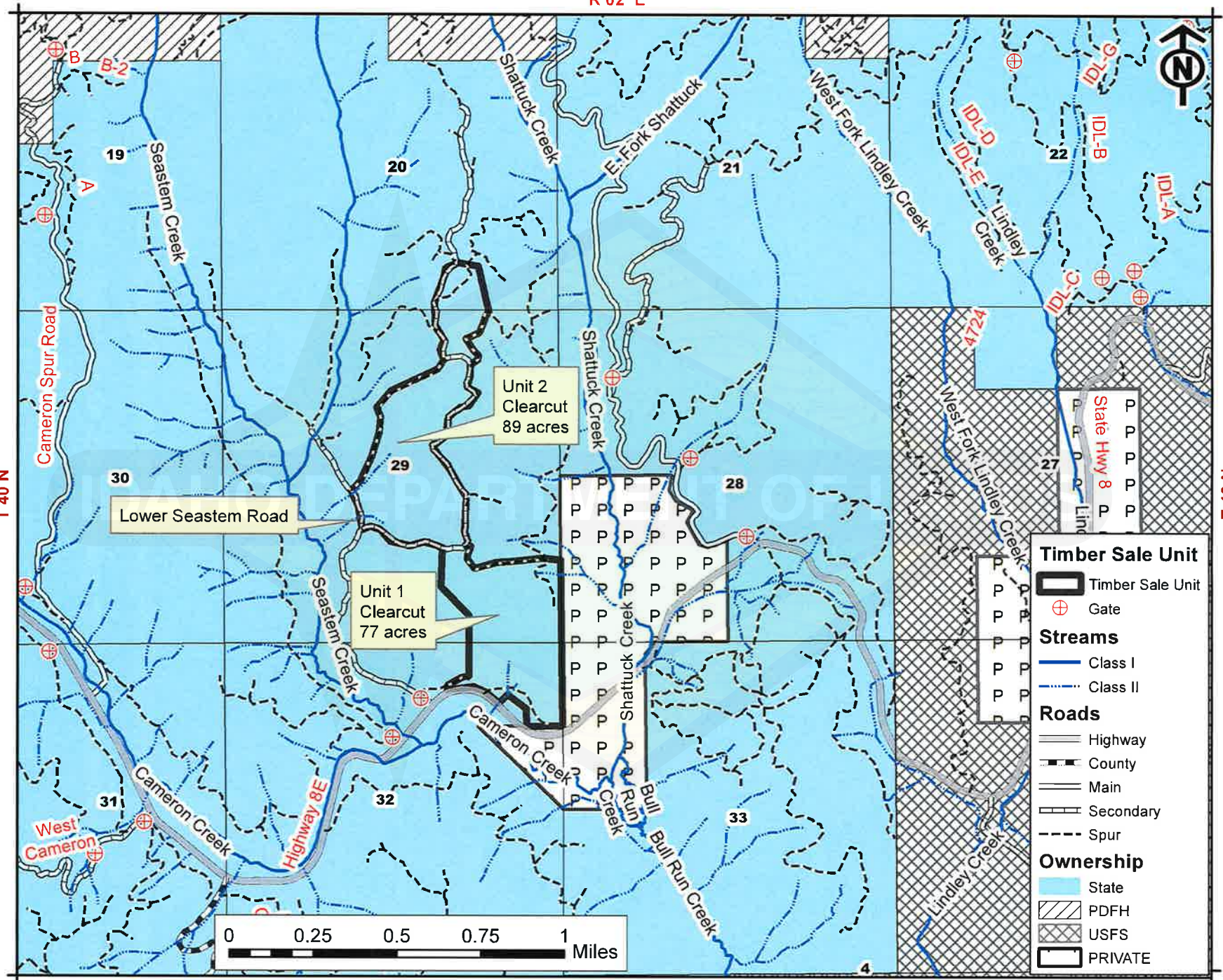
Secondary

Spur

The USDA-FSA Aerial Photography Field office asks to be c

R 02 E

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Timber Sale Unit

- Timber Sale Unit
- Gate

Streams

- Class I
- Class II

Roads

- Highway
- County
- Main
- Secondary
- Spur

Ownership

- State
- PDFH
- USFS
- PRIVATE

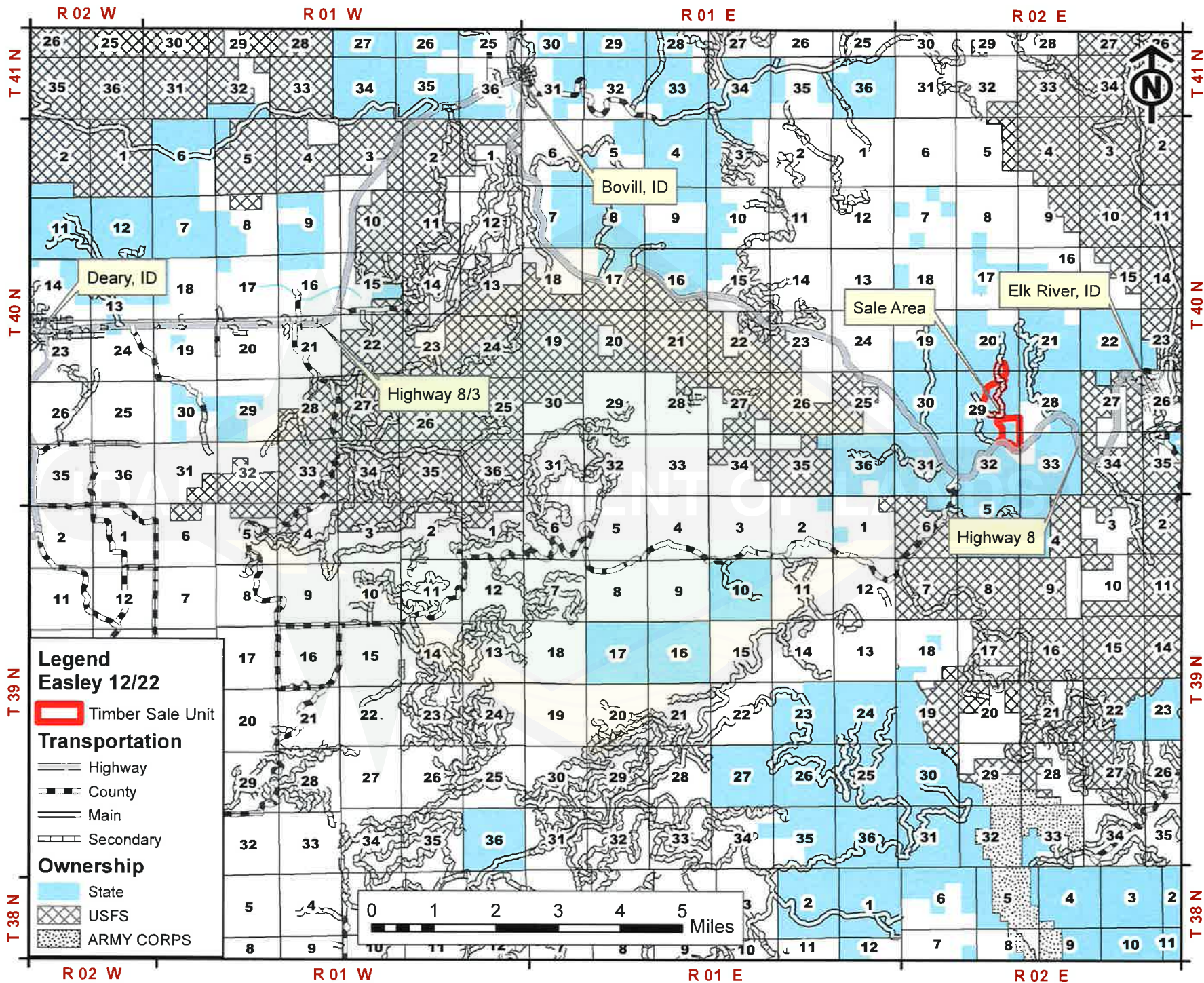
CR410140
Elk Hyde

Ownership Map

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Exhibit A
Page 1 of 1
ATTACHMENT 2

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CR410140
Elk Hyde

Vicinity Map

Exhibit B
 Page 1 of 1
 ATTACHMENT 3

Elk Hyde Clearcut Justification

1. Treatment Description:

- (a) Both stands are comprised predominantly of overmature grand fir (87% of the standing volume). Lodgepole pine, western redcedar, Douglas-fir, western larch, and white pine comprise minor components of the stands. These stands will be clearcut and planted following harvest.

(b) Clearcut Justification:

Clearcuts in this sale will help the Ponderosa Area achieve the desired future conditions outlined in the Ponderosa Area's Forest Asset Management Plan. The clearcuts in units 1 (77 acres) and 2 (89 acres) are silviculturally and economically justified and were planned to comply with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stands and re-establish seral species on the site. This prescription will be used for following reasons:

- 1. The evidence of Indian paint fungus, Douglas-fir bark beetle, and a variety of root rots have reduced the availability of preferred species to be utilized as seed trees. The number of healthy trees of seral species is insufficient to naturally regenerate the stand to desired stocking levels post-harvest.
- 2. Clearcutting will minimize the number of entries into the area, reducing harvest costs and maximizing revenue to the Endowments. Reducing the number of entries into the stand is also expected to reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration by planting genetically superior western larch and white pine.

- (c) Forest Improvement Activity: Units 1 and 2 will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow up pesticide treatments. The sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



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

MEMORANDUM

TO: Derrick Reeves, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sales & Contract Admin

DATE: January 23, 2023

SUBJECT: Elk Hyde (CR-41-0140) Timber Sale

On January 17th, 2023, Jeremy Shawver, Kyle Seigley, and Spencer Hanson, Timber Bureau representatives, visited the Elk Hyde (CR-41-0140) Timber Sale on the Ponderosa Area for a field review. This occurred prior to harvest to discuss the proposed silvicultural prescription of two clearcut units constituting over 100 contiguous acres. Attendance also included Derrick Reeves from Operations.

The Elk Hyde TS resides in sections 20, 29 and 32 of T 40 N R 02 E. Normal School owns section 20, University of Idaho and Public School own section 29, and State Hospital South owns section 32.

The group parked at the nearest turnout to the Elk Hyde Timber Sale and continued on snowshoes to the sale area. The Elk Hyde sale consists of two clearcut units. Unit 1 (77 acres) and unit 2 (89 acres) are connected by approximately 250 feet along a secondary road. This creates 166 contiguous clearcut acres. The majority of the sale area was historically harvested in the early 1900s.

The group approached unit 1 from the west. The stand to the west of the proposed sale area was harvested with the Gravy Shattuck timber sale. The sale cancelled in 2014 and was successfully regenerated with Douglas-fir and western larch (Image 1). Once arriving to the Elk Hyde sale area, the group discussed the stands composition. The sale consists of primarily grand fir (87% by volume) (Image 2). The density and age of the stand has made it susceptible to insects and disease. Varying levels of mortality have been occurring throughout the stands (Image 3).

The group continued to the secondary road where the two clearcuts join. The narrow portion of road connects the two units in a saddle. This road follows the main ridge that separates the two units. The road also divides the sale into separate watersheds. Unit 1 flows into Shattuck Creek while unit 2 flows into Seastem Creek. Due to past management, unit 2 has similar stand composition and insect and disease issues (Image 4). The adjacent stand to the east of unit 2 was also harvested with the Gravy Shattuck timber sale and successfully regenerated (Image 5).

The group continued to the north and walked around unit 2 and back down to the Lower Seastem Road. The stand to the northwest of unit 2 was harvested with the Pale Rider Ton timber sale. This sale initiated regeneration and was harvested in 2017 and 2018. The French Hog Salvage timber sale salvaged the area from a wind event that completely blew down the seed-trees from the initial harvest. The stand is well stocked with 800 seedlings per acre.

The proposed sale, Elk Hyde, is surrounded by well managed endowment timberland. The adjacent stands have been successfully regenerated facilitating both natural and artificial regeneration methods. Unit 1 is adjacent and visible from State Highway 8. Unit 2 lies on the backside of the watershed divide, and the majority of the unit is not visible from Highway 8 (Image 6). The proposal meets or exceeds the Idaho Forest Practices Act (FPA).

The Timber Management Bureau recommends that the area proceed with the Elk Hyde timber sale as proposed. The clearcut units are the most economically and silviculturally justified treatment for the stands. Initiating regeneration following harvest operations will achieve desired stocking levels and maximize revenue to the Normal School, University of Idaho, Public School, and State Hospital South endowments.



Image 1 – Plantation west of unit 1.



Image 2 – Stand composition, density, and age.



Image 3 – Mortality unit 1.



Image 4 – Stand composition and mortality unit 2.



Image 5 – Plantation east of unit 2.

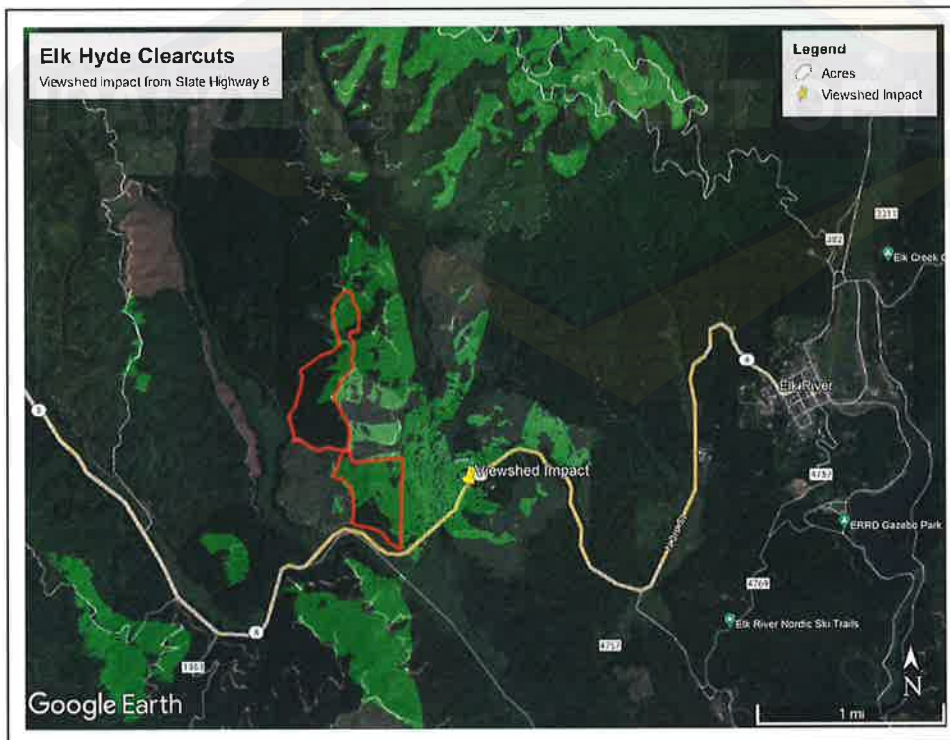


Image 6 – Viewshed impact from Highway 8.