

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: September 19, 2023

Regular Meetings

8/23/2023	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
8/23/2023	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
8/23/2023	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
8/23/2023	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
8/23/2023	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
9/13/2023	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
9/13/2023	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting.
9/13/2023	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
9/13/2023	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
9/13/2023	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.

Renee Jacobsen

Recording Secretary

September 13, 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 SEPTEMBER 2023

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, September 19, 2023 in the **State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

Please note location.

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

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

https://idl.zoom.us/webinar/register/WN_zsU_OE0UQ7KACkBkRnL4w

First Notice Posted: 8/23/2023-IDL Boise; 8/23/2023-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

September 19, 2023 – 9:00 AM (MT)

Final Agenda

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

Please note location.

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This meeting is open to the public. No public comment will be taken.

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

Trust Land Revenue

A. Timber Sales – August 2023

B. Leases and Permits – August 2023

Status Updates

C. Fire Season Report

D. Resource Protection and Assistance Report

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

A. Manager's Report

B. Investment Report

Consent—Action Item(s)

3. Approval of Draft Minutes – August 15, 2023 Regular Meeting (Boise)

Regular—Action Item(s)

4. FY2025 Department of Lands Budget – Presented by *Dustin Miller, Director*

5. Approval of Dry Sky Ton Timber Sale with Clearcut Harvest Unit(s) – Presented by *David Greenwood, Bureau Chief-Forest Management*

State Board of Land Commissioners

Final Agenda

Regular Meeting – September 19, 2023

Page 1 of 2

6. Modification of Disclaimers of Interest Delegation of Authority – *Presented by Mick Thomas,
Division Administrator-Minerals, Navigable Waterways, Oil and Gas*

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

September 19, 2023

Trust Land Revenue

Timber Sales

During August 2023, the Department of Lands sold three endowment timber sales at auction. They all had competitive bidding. Three endowment timber sales did not sell on their first attempt at auction. The net sale value represents a 43% up bid over the appraised value.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
JR Vassar	POND	3,660			\$ 903,011.00	\$ 1,196,063.00	\$326.79	IFG Timber LLC
Bovill Scatter	POND	7,055			\$ 1,564,312.00	\$ 2,477,118.00	\$351.12	IFG Timber LLC
Rocky North Cedar	MC	3,185			\$ 555,020.50	\$ 653,387.70	\$205.15	IFG Timber LLC
Endowment		13,900	0	0	\$ 3,022,343.50	\$ 4,326,568.70	\$311.26	

PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
White Red Cedar	1,765	\$ 799,779.00	POL	9/13/2023
More Otts Cedar	6,655	\$ 2,202,377.50	POL	9/13/2023
A Cedar	1,430	\$ 624,997.00	POND	9/19/2023
Benedict Cedar	10,510	\$ 6,301,331.00	POND	9/19/2023
Cousin Eddy	3,970	\$ 479,835.00	PL	9/26/2023
Sergeant Fenton	5,850	\$ 1,558,044.00	PL	9/26/2023
TOTALS	30,180	\$ 11,966,363.50		
South Operations				
Happy Trails GNA Ton	5,115	\$ 433,997.69	BLM	9/11/2023
Blue Horse GNA ton	17,185	\$ 1,605,394.38	NEZCLEAR NF	9/12/2023
Wild Howell	4,000	\$ 438,406.00	SW	9/14/2023
13 Mile II	5,385	\$ 608,073.50	CLWR	9/27/2023
West Y Cedar	4,305	\$ 723,628.00	CLWR	9/27/2023
TOTALS	35,990	\$ 3,809,499.57		

VOLUME UNDER CONTRACT as of August 31, 2023				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			183	178
Total Residual MBF Equivalent	357,452	183,813	541,265	531,385
Estimated residual value	\$107,331,594	\$58,271,681	\$165,603,275	\$139,070,708
Residual Value (\$/MBF)	\$300.27	\$317.02	\$305.96	\$261.71

	TIMBER HARVEST RECEIPTS				
	August		FY to date	September Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 5,769,390.36	\$ 621,483.11	\$ 11,997,245.95	\$ 4,702,443.25	\$ 546,000.39
Pooled	\$ 3,546,532.90	\$ 375,865.63	\$ 7,515,914.23	\$ 1,733,151.97	\$ 173,222.65
General Fund	\$ 1.06	\$ 0.00	\$ 2.32	\$ 1.06	\$ 0.00
TOTALS	\$ 9,315,924.32	\$ 997,348.74	\$ 19,513,162.50	\$ 6,435,596.28	\$ 719,223.04

	Status of FY2023 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of August 31, 2023	207,515	108,778	316,293	22,222	5,933	28,155
Currently Advertised	5,375	0	5,375	0	0	0
In Review	4,420	0	4,420	0	0	0
Did Not Sell*	0	0	0	0	0	0
TOTALS	217,310	108,778	326,088	22,222	5,933	28,155
FY2023 Sales Plan			326,000			20,000
Percent to Date			100%			141%

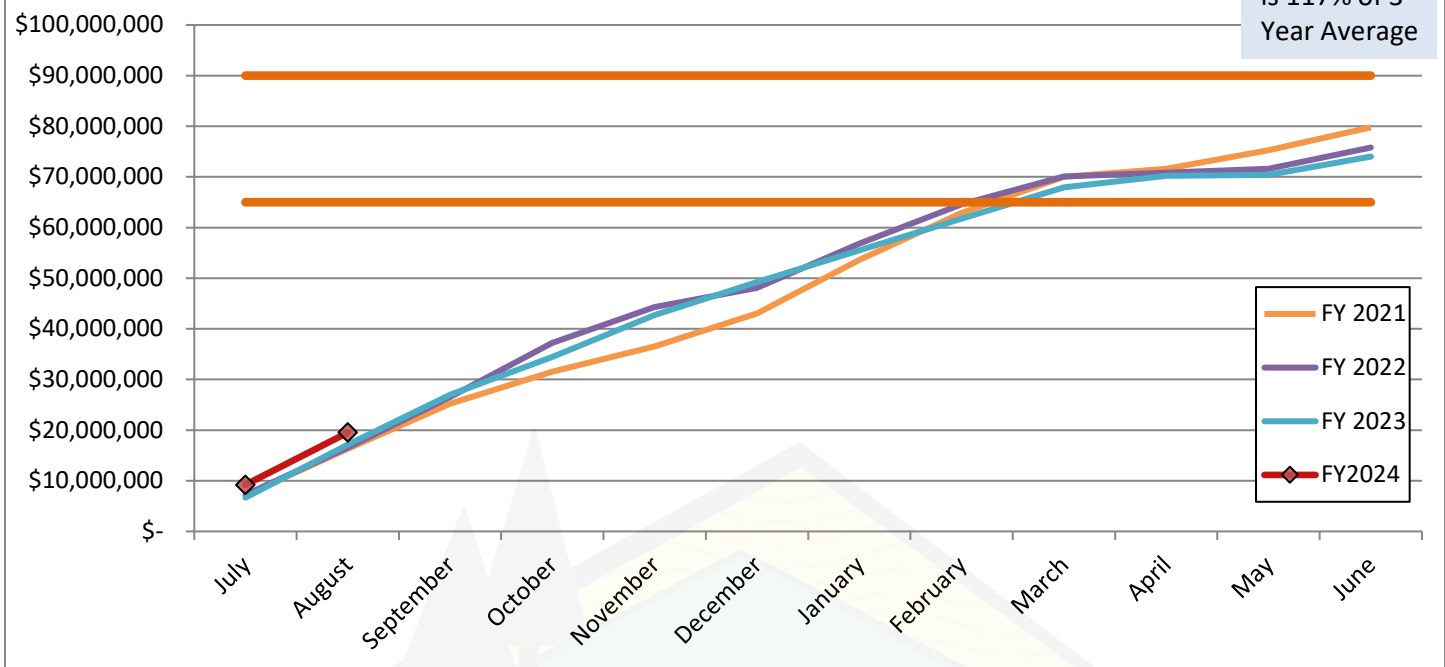
* After three attempts at auction.

	Status of FY2024 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of August 31, 2023	6,941	4,292	11,233	0	0	0
Currently Advertised	38,768	8,122	46,890	13,779	3,521	17,300
In Review	30,385	11,385	41,770	750	0	750
Did Not Sell*	0	0	0	0	0	0
TOTALS	76,094	23,799	99,893	14,529	3,521	18,050
FY2024 Sales Plan			328,000			20,000
Percent to Date			30%			90%

* After three attempts at auction.

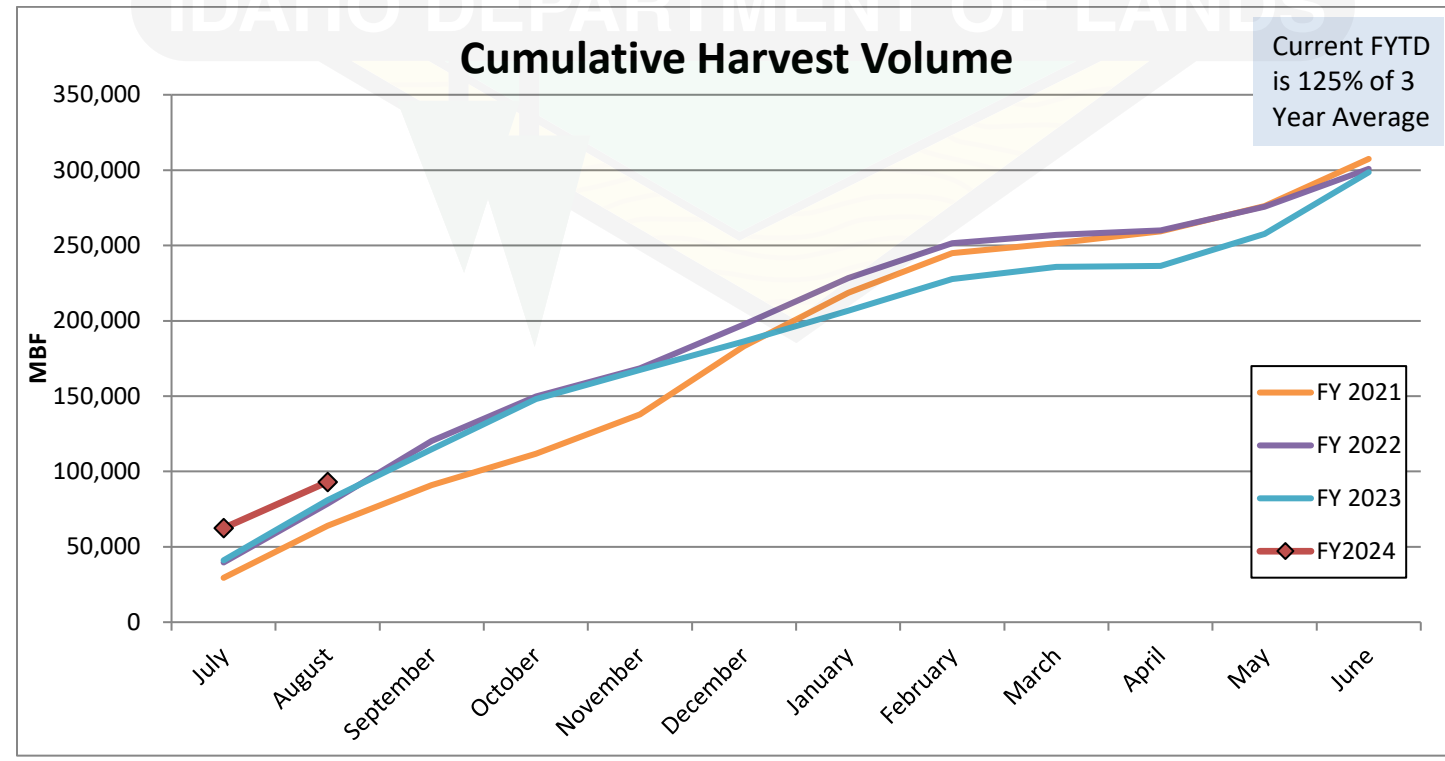
Cumulative Harvest Receipts

Current FYTD is 117% of 3 Year Average

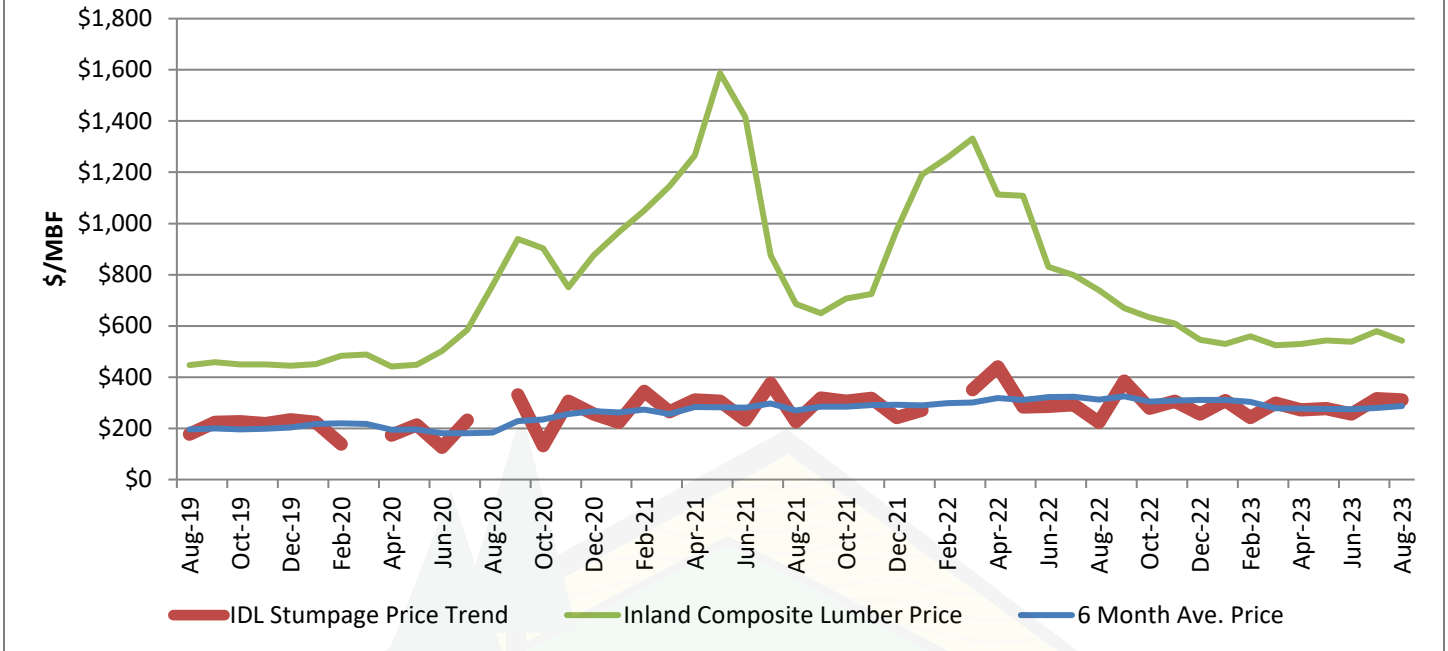


Cumulative Harvest Volume

Current FYTD is 125% of 3 Year Average



Monthly Lumber and Stumpage Price



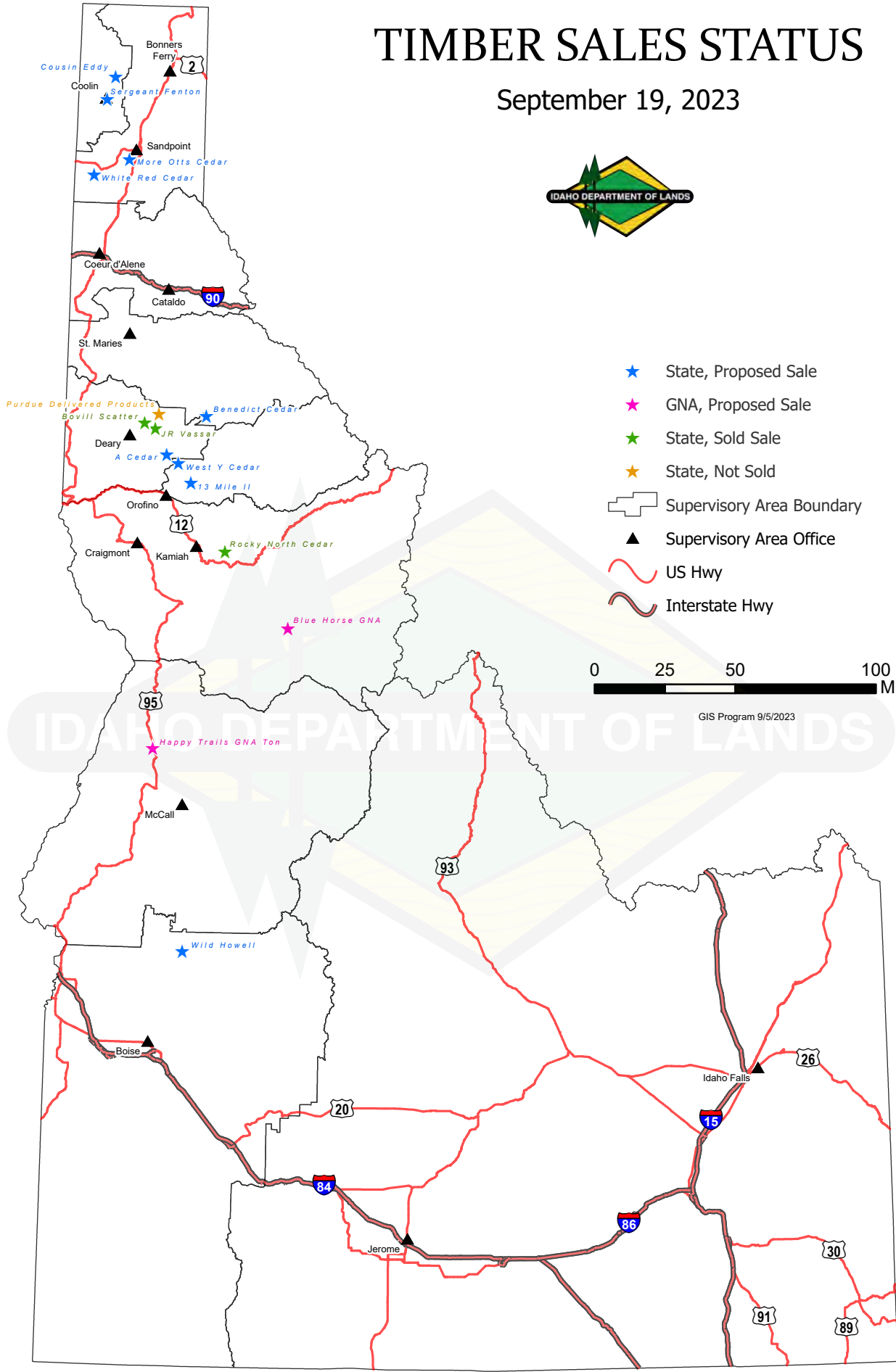
August 2023 6-month average price is \$286.85.

August 2022 6-month average price was \$312.33.

IDAHO DEPARTMENT OF LANDS

TIMBER SALES STATUS

September 19, 2023



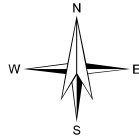
- ★ State, Proposed Sale
- ★ GNA, Proposed Sale
- ★ State, Sold Sale
- ★ State, Not Sold

- ▭ Supervisory Area Boundary
- ▲ Supervisory Area Office
- US Hwy
- Interstate Hwy



GIS Program 9/5/2023

IDAHO DEPARTMENT OF LANDS



STATE BOARD OF LAND COMMISSIONERS

September 19, 2023
Endowment Transactions

Leases and Permits

FISCAL YEAR 2024 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through August 31, 2023													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture	1	-											1
<i>Assignments</i>	-	-											0
Communication Sites	1	2											3
<i>Assignments</i>	-	-											0
Grazing	-	-											0
<i>Assignments</i>	-	3											3
Residential	-	-											0
<i>Assignments</i>	1	-											1
COMMERCIAL													
Alternative Energy	-	-											0
Industrial	1	-											1
Military	-	-											0
Office/Retail	-	-											0
Recreation	-	-											0
<i>Assignments</i>	-	-											0
OTHER													
Conservation	-	-											0
Geothermal	-	-											0
Minerals	2	1											3
<i>Assignments</i>	-	-											0
Non-Comm Recreation	2	-											2
Oil & Gas	-	-											0
PERMITS													
Land Use Permits	1	9											10
TOTAL INSTRUMENTS	9	15	0	0	0	0	0	0	0	0	0	0	24

Real Estate

FISCAL YEAR 2024 – REAL ESTATE TRANSACTIONS BY MONTH – through August 31, 2023													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-											0
Deeds Granted	-	-											0
Deeds Granted - Surplus	-	-											0
Easements Acquired	1	-											1
Easements Granted	-	-											0
<i>Notes :</i>													

TRUST LAND MANAGEMENT DIVISION
FY2024 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through August 31, 2023

	ACTUAL RECEIPTS AS OF 8.31.2023	REVENUE EXPECTED BY 8.31.2023*	REVENUE EXPECTED BY END OF FY - 06.30.2024
LEASING PROGRAM			
COMMERCIAL	\$ 89,388	\$ 91,000	\$ 3,584,440
CROP	\$ 63,375	\$ 250	\$ 592,000
GRAZING	\$ 19,594	\$ 3,500	\$ 1,680,200
CONSERVATION	\$ -	\$ 500	\$ 73,000
MINERALS	\$ 3,437	\$ 1,250	\$ 118,012
OIL AND GAS	\$ 12,706	\$ -	\$ 3,926
RESIDENTIAL	\$ 386	\$ -	\$ 1,017,395
Sub Total	\$ 188,886	\$ 96,500	\$ 7,068,973
PERMITS	\$ 61,120		
REAL ESTATE SERVICES (ER)	\$ -	**	
Grand Total - Earnings Reserve	\$ 250,006		

MINERALS (PF) \$ 428,038 ***

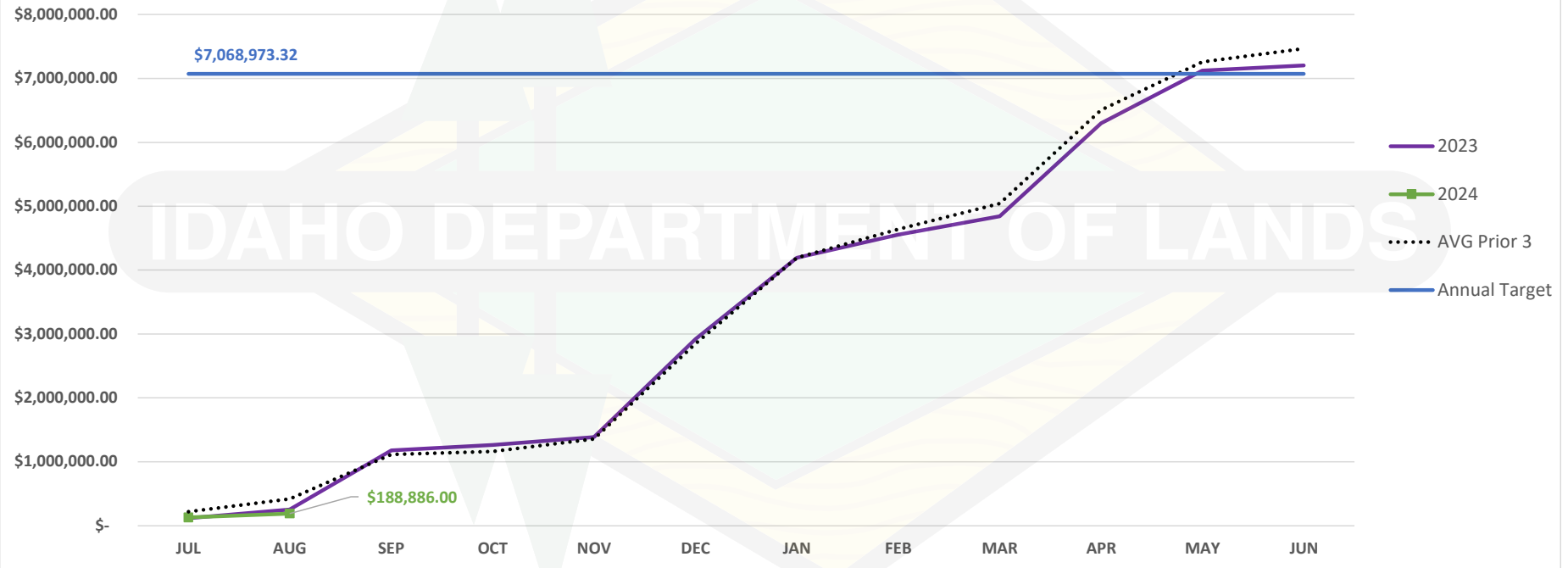
*These figures are based on historic timing of revenue/billing as well as estimates of upcoming lease and permit revenue.

** This category is not included in the annual forecast.

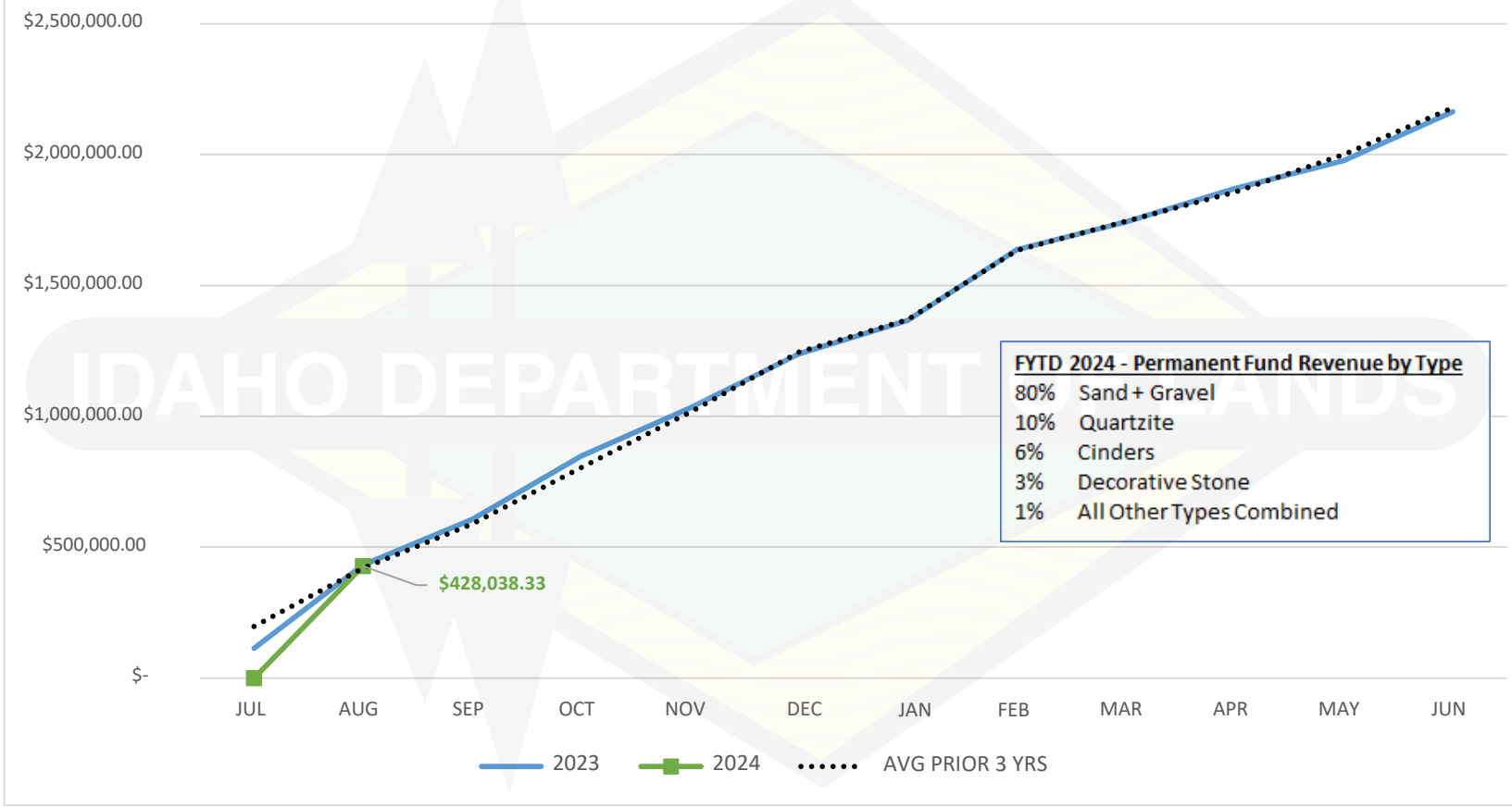
***This category is not included in the annual forecast and represents minerals revenue to the permanent fund.

IDAHO DEPARTMENT OF LANDS

Cumulative Trust Land Program Receipts
Earnings Reserve - All Programs Excluding Timber
FY 2023 - FYTD 2024



Trust Land Permanent Fund Revenue & Royalties (Excluding Land Bank and Timber Program) FY2023 - FYTD2024



STATE BOARD OF LAND COMMISSIONERS

September 19, 2023

Department Report

Subject

Fire Season Update

Background

As of September 14, Emergency Fire Suppression expenditures are estimated to be \$16,860,500. The Suppression Account will recover an estimated \$2,300,000 of reimbursable costs, for a net obligation of \$14,560,500. The total obligation includes the 2023 contracted aircraft costs and prepositioned contract engines to assist with resource scarcity. These engines were assigned across the state to boost initial attack resources.

Discussion

On August 4, the Parkway Fire was detected in Post Falls. The fire burned approximately 80 acres and is 100 percent controlled. The Type 3 team has returned the fire to the district.

On August 19, the Old Ahsahka Fire was detected 4.5 miles northwest of Orofino. The fire burned 149 acres and is 100 percent controlled. The Type 3 team has returned the fire to the district.

On August 29, the Hospital Fire was detected in Orofino. The fire burned 53 acres and is 100 percent controlled. The fire was managed by local resources.

Fire Season Comparison to Date

Number and Size of Fires (Year to Date)				
Year	Human	Lightning	Total	Acres
2020	173	49	222	4,853
2021	227	154	381	141,883
2022	111	133	244	3,887
2023*	195	76	271	2,577
20 Yr. Average (2002-2022)			271	24,567

*2023 fires are calculated using the protection boundaries of the new Idaho Master Agreement which has increased the area in which IDL is the protecting agency. Therefore, there is a known inconsistency between 2023 numbers and 20-year averages.

August experienced above average rainfall especially in southern Idaho. The long-term weather forecast indicates a warmer and drier fall. The National Significant Wildland Fire Potential Outlook shows normal fire danger for Idaho in September and October.

All restrictions have been lifted.

Significant Fires Outside of IDL Protection

Ridge Creek Fire

Agency/Management: Idaho Panhandle National Forests (USFS)

General Location: 3.5 miles east of Hayden Lake, ID

Acres burned: 4,474 acres, 80 percent contained

Total Acres Burned by Ownership 9/13/2023	
Surface Owner	Acres
Bureau of Land Management	12,177
Other Federal	372
Private	7,936
State Endowment	1,396
Tribal	29
U.S. Forest Service	62,377
Total Acres	84,287

Only fires with perimeters in the Fire Enterprise Geospatial Portal have been included in the analysis.

Fire Deficiency Warrant Spending - 2023 Fire Season through Sept. 13		
Category	Estimated Costs	Notes
Aviation Resources	\$2,750,000	4 SEATS, 2 Fire Bosses, 2 Type 2 Helicopters
Prepositioned Engines	\$885,500	10 Contract engines statewide to boost IA, between 8/1/2023 – 9/15/2023
IDL Non-Team Fires	\$3,800,000	IDL/Assn fires including pre-positioning
IDL Team Fires	\$6,550,000	IDL Team Fire, 3 Type 3
Other Suppression Non-reimbursable	\$575,000	Coeur d'Alene Cache, Dispatch and emergency equipment expenses
Other Suppression Reimbursable	\$2,300,000	Reimbursable (IDL and Fire Department resources supporting non-IDL fires)
Total Estimate YTD	\$16,860,500	Does not include Cost Share Fires which will be reported in October

Attachments

1. Map–Significant Fires Throughout Idaho
2. Map–Current Fire Restrictions

2023 Wildland Fires in Idaho

9/8/2023

Fire Perimeter Categories

- Current Month
- Last Month
- Two Months Ago
- Three Months and Older

Surface Management

- Idaho Endowment Lands
- Other State
- Private
- U.S. Forest Service
- Bureau of Land Management
- Tribal Lands
- Other Federal



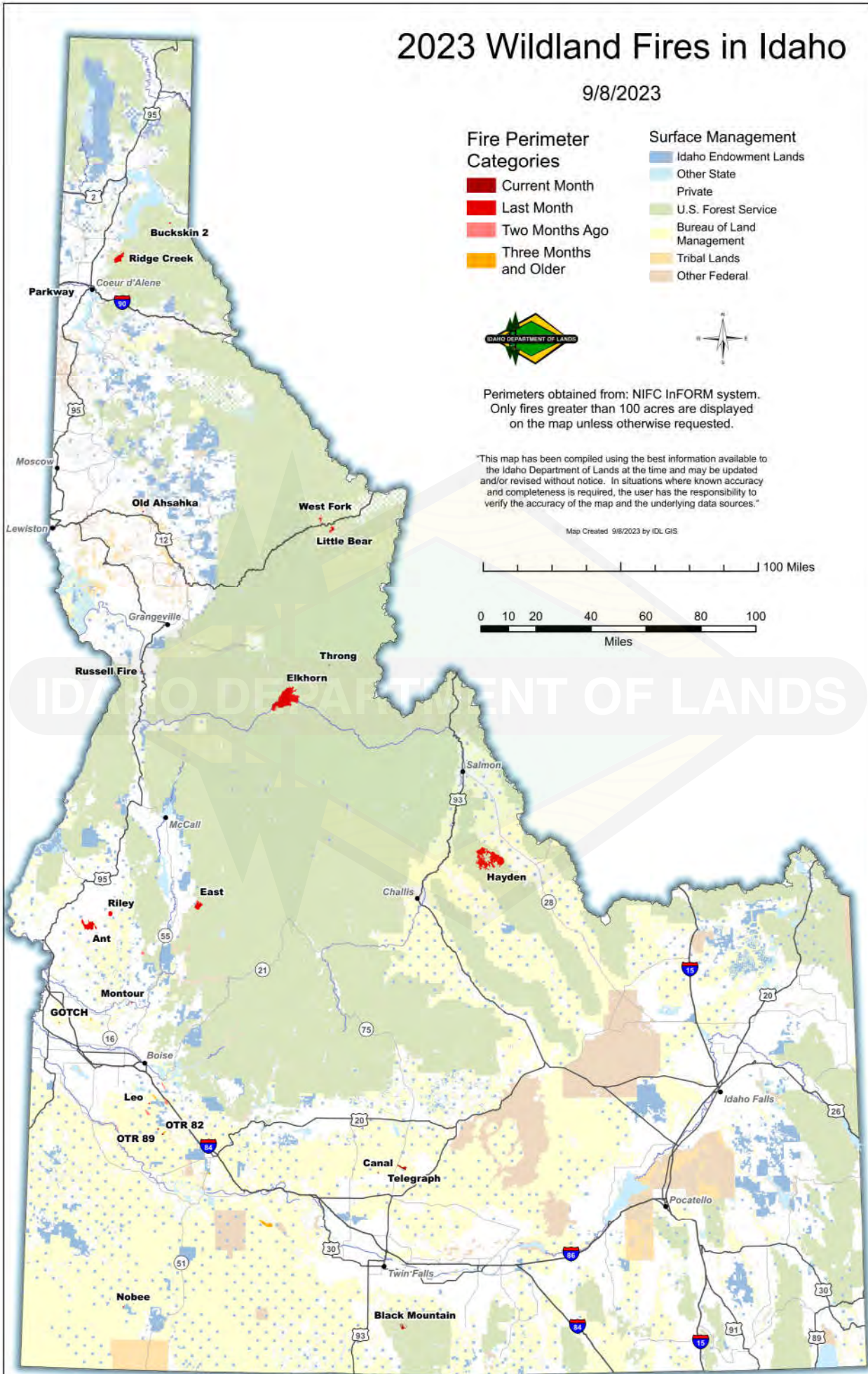
Perimeters obtained from: NIFC InFORM system.
Only fires greater than 100 acres are displayed on the map unless otherwise requested.

"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."

Map Created 9/8/2023 by IDL GIS

0 10 20 40 60 80 100 Miles

0 10 20 40 60 80 100 Miles



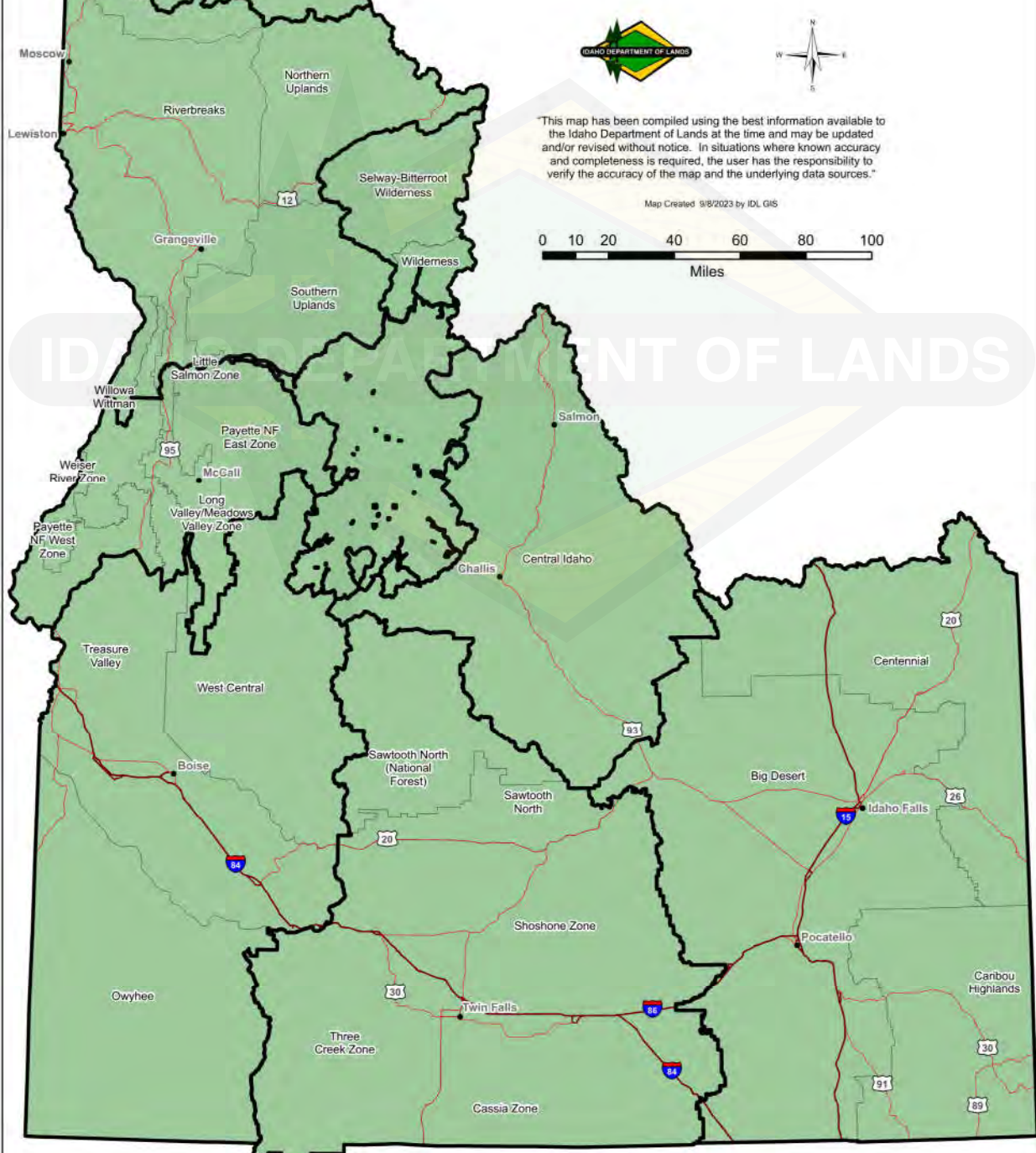
Idaho Fire Restrictions

9/8/2023

Restriction Stage

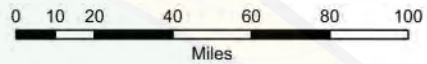
- Stage II
- Stage I
- No Restriction

Restriction Area	Restriction Zone	Restriction	Date Enacted
Boise	Owyhee, West Central, Treasure Valley	None	
Central Idaho	Central Idaho	None	
Coeur d'Alene	South Zone, North Zone, Kaniksu	None	
East Idaho	Centennial, Big Desert, Caribou Highlands	None	
Grangeville	Riverbreaks, Northern Uplands, Southern Uplands, Willowa Wittman	None	
Payette	Little Salmon Zone, Weiser River Zone, Payette NF West Zone, Payette NF East Zone, Long Valley/Meadows Valley Zone	None	
South Idaho	Three Creek Zone, Cassia Zone, Sawtooth North (National Forest), Shoshone Zone, Sawtooth North	None	



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Map Created 9/8/2023 by IDL GIS



STATE BOARD OF LAND COMMISSIONERS

September 19, 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 the surface mining reclamation plans, dredge and placer permits, and abandoned mine land projects. The Navigable Waterways Program is self-supported through a dedicated account, and the Minerals Program is supported through a mixture of general fund and dedicated fund sources.

Navigable Waterways Program

INSTRUMENT ACTIVITY - Instruments issued FY2016 through 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	384
Active Submerged Land Leases	185	192	180	172	179	176	153	196
New Submerged Land Leases	11	8	36	48	24	17	6	39
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	4
New Disclaimers of Interest	2	1	3	0	1	2	2	5

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 196 in FY2023.
- **Administrative Hearings.** In April the Department entered into a Memorandum of Agreement with the Office of Administrative Hearings to provide Hearing Officer services. Between January 1, 2023 and June 30, 2023, the Department ordered two public hearings and three contested case hearings on encroachment permit applications. Two resulted in approval, one was dismissed, and three have not been held yet.

- **Negotiated Rulemaking.** In compliance with Executive Order 2020-01, negotiated rulemaking occurred for the administrative rule "Riverbed Mineral Leasing in Idaho," IDAPA 20.03.05.

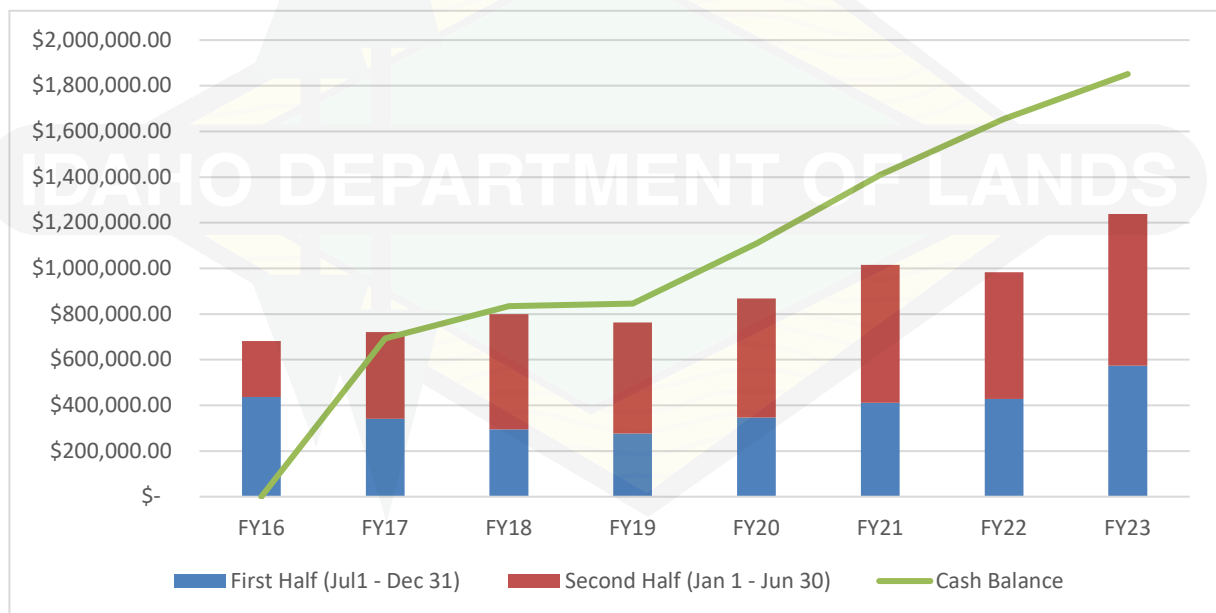
NEXT 6 MONTHS

- **Proposed and Pending Rulemaking.** The Proposed Rule for "Riverbed Mineral Leasing in Idaho," IDAPA 20.03.05, will be published in the September Administrative Bulletin and a Pending Rule will be prepared for review at the October Land Board.

FINANCIAL UPDATE

- The Department generated \$664,938 from navigable waterways in the second half of FY23. Total revenue for FY23 was over \$1.2 million. Income continues to keep pace with the workload in our navigable waterways program, ensuring we continue to be a self-funded program with no demand on the general fund.

Figure 1: Navigable Waterways Program Revenue and Cash Balance



Regulatory Minerals Program

PAST 6-MONTH HIGHLIGHTS

- **Negotiated Rulemaking.** In compliance with Executive Order 2020-01, negotiated rulemakings occurred for the administrative rules "Rules Governing Dredge and Placer Mining Operations in Idaho," IDAPA 20.03.01, and "Rules Governing Administration of the Reclamation Fund," IDAPA 20.03.03.

- **Large Mine Reviews.** The Department is reviewing the Preliminary Final Supplemental EIS prepared for Perpetua Resources' Stibnite Gold Project and is working with DEQ to review the supporting documents for the cyanidation permit and permanent closure plan. Integra's DeLamar Mine expansion continues to evolve, and the Department is reviewing related documents with other agencies.

LOOKING FORWARD

- **Proposed and Pending Rulemaking.** The Proposed Rules for "Rules Governing Dredge and Placer Mining Operations in Idaho," IDAPA 20.03.01, and "Rules Governing Administration of the Reclamation Fund," IDAPA 20.03.03, will be published in the September Administrative Bulletin and Pending Rules will be prepared for review at the October Land Board.
- **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 1,571 mine sites covered by reclamation plans and 28 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)
1539	32	-	28

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	29
Retirements	17	14	36	15	22	9	13	7	14	20
Total Reclamation Plans	1,537	1,528	1,530	1,542	1,540	1,561	1,580	1574	1545	1571
Dredge and Placer										
New/Amended Permits	0	1	3	3	1	2	0	1	2	0
Retirements	-	-	-	2	0	1	0	0	0	3
Total Permits	25	25	25	26	27	28	28	29	31	28

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 \$146,000 per year. This revenue provides a bonding source for the state to use in the event of a closure or reclamation need. Billings are mailed in September with a November 1 due date. Table 6 has revenue from FY2023. 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	302	22,866	\$21 Million	\$918	22	97.5	\$255K	\$2,618
Bond Assurance Fund	618	31,988	n/a	n/a	6	32	n/a	n/a

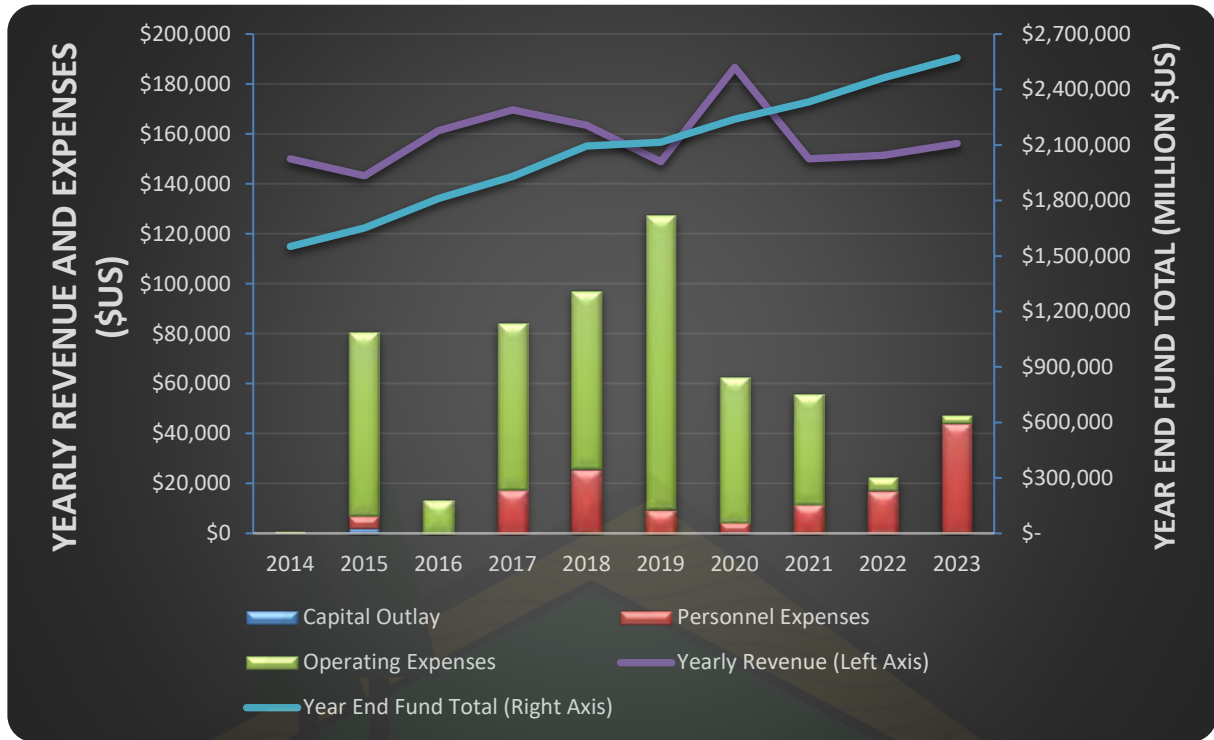
¹ Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

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	22,029	\$224 Million	\$10,159

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

Table 6: Bond Assurance Fund Billing (For FY 2023)			
Disturbance (ACRES)	Annual Fee Schedule (\$)	Total Permits Distribution	Total Annual Fees Due (\$)
2 acres or less	\$100	158	\$15,700
> 2 acres ≤ 5 acres	\$200	151	\$29,600
> 5 acres ≤ 10 acres	\$250	140	\$34,250
> 10 acres ≤ 15 acres	\$300	53	\$15,900
> 15 acres ≤ 20 acres	\$350	39	\$13,650
> 20 acres ≤ 25 acres	\$400	27	\$9,600
> 25 acres ≤ 30 acres	\$450	24	\$10,800
> 30 acres ≤ 35 acres	\$500	7	\$4,000
> 35 acres ≤ 40 acres	\$550	19	\$9,400
TOTAL		618	\$146,150.00

Figure 2: Bond Assurance Fund - Revenue, Expenses, and Fund Balance Through May



IDAHO DEPARTMENT OF LANDS

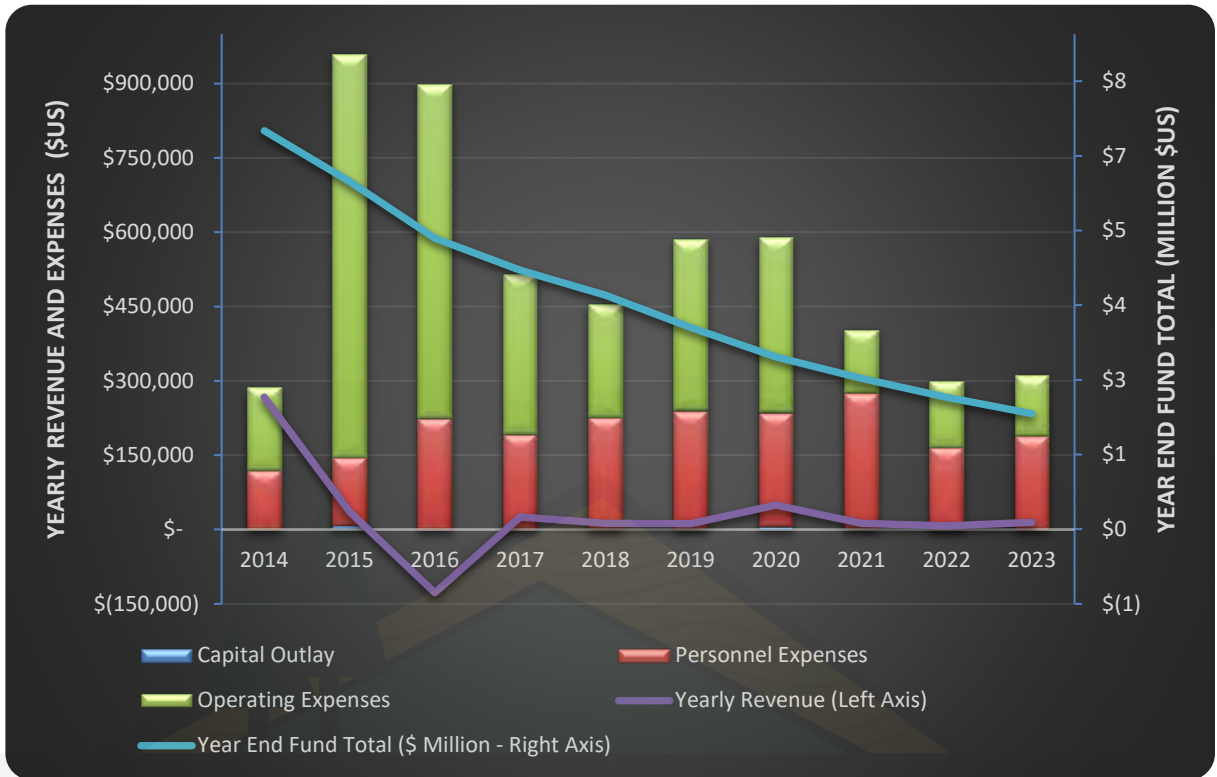
ABANDONED MINE LANDS

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 FY23 was \$14,622. Table 7 lists the projects worked on in the second half of FY2023. Figure 3 illustrates the revenue, expenditures, and balance for this fund.

Table 7: Abandoned Mine Lands Projects January through June, 2023

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 Through May



IDAHO DEPARTMENT OF LANDS



Thomas J. Wilford :: Chairman
Jerry F. Aldape Mary Pat Thompson
Robert M. Donaldson Chuck Winder
Joseph Forney Kenny Wroten
Irving Littman Brian Yeargain

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through August 31, 2023

Month: -2.3% Fiscal year: -0.1%

Financial markets gave back July gains which left the portfolio near break-even for the first two months of the fiscal year. Notes from the Fed's July meeting indicated that central bank officials see "upside risks" to inflation which could lead to interest rates remaining restrictive for longer than anticipated. The central bank said: "With inflation still well above the Committee's longer-run goal and labor markets remaining tight, most participants continue to see significant upside risks to inflation, which could require further tightening of monetary policy." Economic data out of China remained soft with weaker than expected retail sales and industrial production and continued stress in the real estate sector.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 are well secured.

Significant actions of the Endowment Fund Investment Board

The Endowment Fund Investment Board approved the addition of new U.S. large-cap growth and value oriented global investment managers. See attached report for additional detail.

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 – November 21, 2023 (joint meeting)

EFIB Asset Allocation

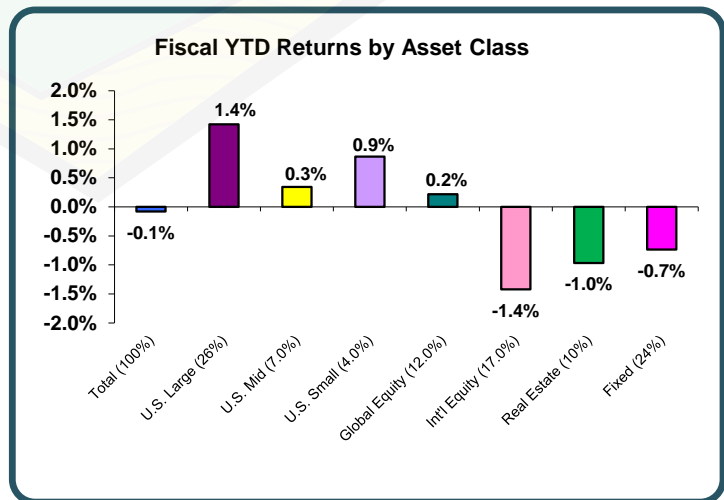
	Current	Proposed	Recommendation	Status
Domestic Equity	38.0%	37.0%		
Large Cap Core				
Northern Trust - S&P500 Index	11.0%	16.0%	Increase	Done
Large Cap Growth				
Sands Capital / William Blair	5.0%	5.0%	Replace with quality growth manager	Interviewed J.P. Morgan, Loomis Sayles and William Blair. Selected William Blair. Done
Large Cap Value				
LSV Asset Management	5.0%	0.0%	Eliminate Manager	Done
Boston Partners	5.0%	5.0%		
Mid Cap Growth				
TimeSquare	4.0%	3.5%	Slight Decrease	Done
Mid Cap Value				
Sycamore	4.0%	3.5%	Slight Decrease	Done
Small Cap Growth				
Eagle	2.0%	2.0%		
Small Cap Value				
Barrow Hanley	2.0%	2.0%		
International Equity	19.0%	17.0%		
International Core				
Vanguard - EAFE	3.0%	0.0%	Eliminate Index	Done
International Growth				
WCM	8.0%	8.5%	Slight Increases	Done
International Value				
Schroders	8.0%	8.5%	Slight Increases	Done
Global Equity	9.0%	12.0%		
Wellington	4.5%	4.0%	Slight Decrease	Done
PineStone (formerly Fiera Capital)	4.5%	4.0%	Slight Decrease	Done
Dodge & Cox	0.0%	4.0%	New Manager	Interviewed Artisan, Barrow Hanley and Dodge & Cox. Selected Dodge & Cox. Done
Real Assets	10.0%	10.0%		
Private Core Real Estate				
DWS, R Reef America REIT II	5.0%	5.0%		
CBRE Core Property	5.0%	5.0%		
Fixed Income	24.0%	24.0%		
State Street - BB Aggregate Bond Index	11.0%	11.0%		
Western - Core Plus	6.5%	6.5%		
DoubleLine - Core Plus	6.5%	6.5%		
Total	100.0%	100.0%		

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	3,012,663,914	\$ 2,947,604,447
Distributions to Beneficiaries	(8,359,583)	(16,969,166)
Land Revenue net of IDL Expenses	3,149,113	3,149,113
Change in Market Value net of Investment Mgt. Expenses	(62,875,729)	10,793,321
Current Value of Fund	\$ 2,944,577,714	\$ 2,944,577,714

	<u>Current Month</u>	<u>Calendar Y-T-D</u>	<u>Fiscal Y-T-D</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Gross Returns							
Total Fund	-2.3%	7.8%	-0.1%	7.8%	5.2%	6.5%	7.7%
<i>Total Fund Benchmark*</i>	-2.0%	9.1%	0.4%	8.6%	4.8%	6.2%	7.5%
Total Fixed	-0.7%	1.8%	-0.7%	-1.0%	-3.6%	0.8%	1.6%
<i>BBG U.S. Agg. (Ag)</i>	-0.6%	1.4%	-0.7%	-1.2%	-3.9%	0.8%	1.6%
Total Equity	-3.0%	13.2%	0.2%	14.0%	8.7%	8.6%	10.1%
<i>57% R3 29% Ax 14% AC</i>	-2.8%	14.9%	0.8%	13.9%	7.8%	7.9%	9.7%
Domestic Equity	-2.7%	14.5%	1.1%	13.6%	10.2%	9.5%	11.8%
<i>Russell 3000 (R3)</i>	-1.9%	18.0%	1.6%	14.8%	9.8%	10.3%	12.2%
Global Equity	-2.6%	14.3%	0.2%	17.7%	7.7%	9.5%	8.5%
<i>MSCI ACWI (AC)</i>	-2.8%	14.8%	0.8%	14.0%	7.2%	7.5%	8.5%
Int'l. Equity	-3.9%	10.0%	-1.4%	13.0%	6.0%	6.5%	6.6%
<i>MSCI ACWI ex-US (Ax)</i>	-4.5%	8.8%	-0.6%	11.9%	4.0%	3.3%	4.4%
Real Estate			-1.0%	-9.7%	6.0%	5.7%	

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

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,091.4	37.1%
Large Cap	768.2	26.1%
Mid Cap	205.1	7.0%
Small Cap	118.2	4.0%
Global Equity	266.4	9.0%
Int'l Equity	590.5	20.1%
Fixed Income	712.0	24.2%
Real Estate	269.9	9.2%
Cash	15.8	0.5%
Total Fund	\$ 2,944.6	100.0%

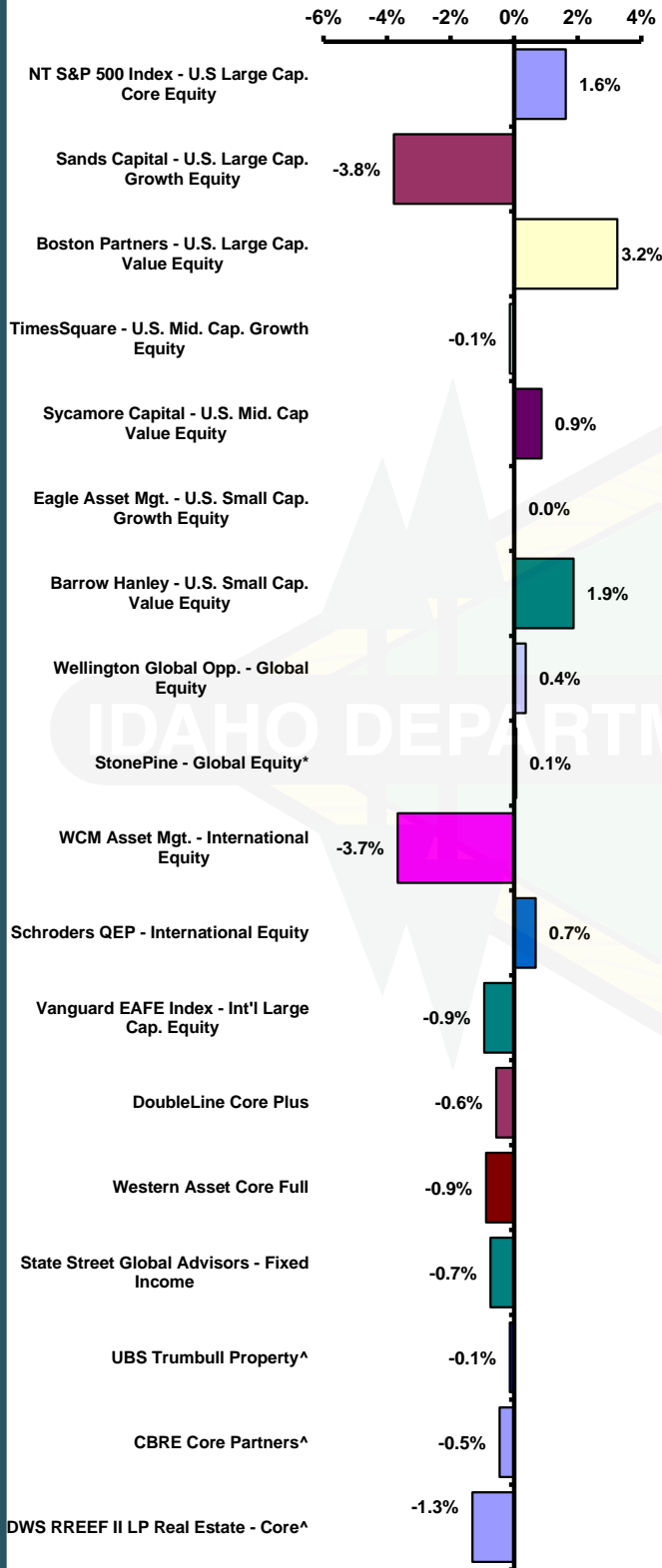


Endowment Fund Staff Comments:

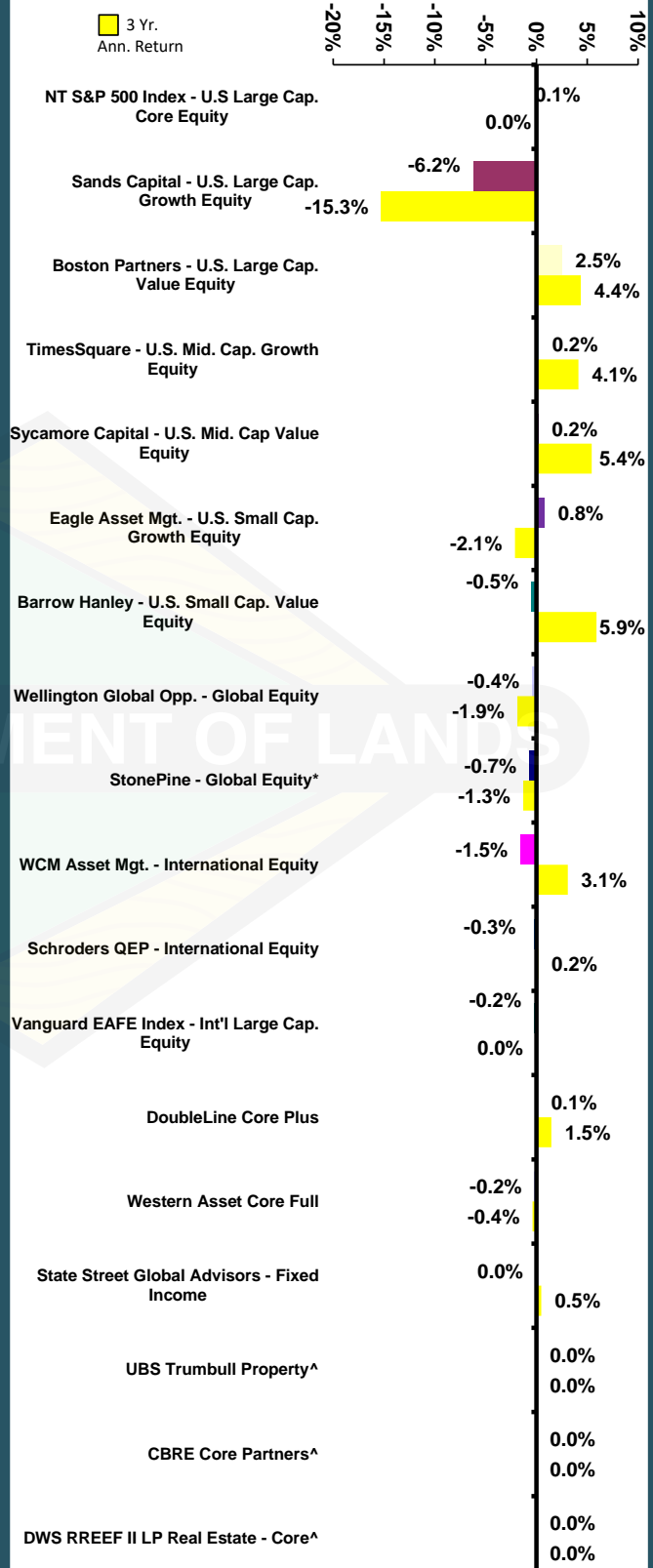
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INVESTMENT REPORT

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

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

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.

Revised Draft Minutes
State Board of Land Commissioners Regular Meeting
August 15, 2023

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, August 15, 2023 at the State Capitol, Lincoln Auditorium WW02, Lower Level, West Wing, 700 West Jefferson St., Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little
Honorable Secretary of State Phil McGrane
Honorable Attorney General Raúl Labrador
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Debbie Critchfield

For the record, Governor Little, Secretary of State McGrane, Attorney General Labrador, and Superintendent Critchfield attended at the physical location; Controller Woolf attended via Zoom webinar. Controller Woolf excused himself briefly to attend other state business.

[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 – July 2023

Discussion: None.

B. Leases and Permits – July 2023

Discussion: Governor Little asked if the million dollar forecast for residential is adjusted to reflect cottage site sales. Director Miller replied that it is.

Status Update

C. Fire Season

Discussion: Governor Little commented that the Department is getting on fires early and putting them out, and trusts the team is staying safe out there. Secretary of State McGrane mentioned that he visited the Goldrun Fire to see the transition with the Incident Command team and Julia [Lauch] was amazing. Casper [Urbanek] and Julia showed him around, showed him the ropes. Secretary of State McGrane clarified that he did not get near any flames whatsoever; he had a firsthand experience eating dinner and talking with some of the hand crew from Moscow. Secretary of State McGrane remarked that it was great to listen and discuss some of the things that they were facing; he heard that recruitment is one of the challenges so talking to Julia and some of the other folks was a great opportunity for him. Governor Little said he was in north Idaho the week prior to the meeting and there were quite a few questions about several of the fires that are still under investigation. Governor Little asked if Director Miller has sufficient resources for arson investigations. Director Miller responded that the Department has a robust investigation process, with a program manager whose full-time job is to oversee that process. The Department has internal staff, works with partners in law enforcement and the Attorney General's office. The investigation team analyzes fires, determines if there was negligence and if there was negligence, the Department proceeds with cost recovery efforts to recover as much as possible from the guilty party. Director Miller thanked Governor Little and Secretary of State McGrane for their accolades for Department firefighters and teams. Director Miller expressed pride and appreciation for the firefighters and the work they do every year on these fires.

D. Land Revenue Forecast

Discussion: Governor Little wondered why the Capitol Fund is losing money every year. Mr. Elbin replied that the Capitol Fund is quite small, and Department activities occur sparingly on those endowment parcels. The Capitol Fund will have expenditures due to timber sale activities and forecast for the next few years for planting and follow up treatment. Governor Little clarified that the maintenance expense of the parcels is more than the income estimate for the next four years. Mr. Elbin said yes.

For the record, Controller Woolf rejoined the meeting at approximately 9:20 a.m.

Consent—Action Item(s)

- 2. Disclaimer of Interest Request DI800274-Ruth H Barker and Paul E. Barker Trustees In trust of the Ruth Barker Family IVRT, Bear Lake** – Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance

Discussion: Governor Little noted the \$300 application fee for disclaimers and inquired if the applicant is then billed for the actual cost to the Department or is the state losing money on this. Mr. Wilson confirmed the initial application fee of \$300 for all disclaimers. There is an additional minimum payment of \$300. If staff time and effort exceed that amount, the Department bills actual costs. Mr. Wilson indicated that in this case staff time did exceed that amount of effort,

and the Department is asking for an additional payment of \$800. Governor Little questioned that all the work on this disclaimer was only worth \$1,100. Mr. Wilson stated that amount is correct. Governor Little commented that this is one slice of all the owners on the lake and asked if the Department will come back before the Board over and over. Mr. Wilson acknowledged there are several dozen parcels around Bear Lake that fall into the same situation. The disclaimer process is on a landowner initiated basis; when landowners need to clear up title for insurance purposes or development or other reasons, they come to the Department with a request to clear up their title. Governor Little directed the question to Director Miller if the Land Board needs a policy for disclaimers on lakes, similar to the recent policy for disclaimers on streams. Director Miller offered to investigate that.

Recommendation: Direct the Department to issue a Disclaimer of Interest for one parcel totaling 0.4 acres of the former bed of Bear Lake, to Ruth H Barker and Paul E. Barker Trustees in trust of the Ruth Barker Family IVRT following their payment to the Department of the remaining processing fee of \$800.

3. Approval of Draft Minutes – July 18, 2023 Regular Meeting (Boise)

Consent Agenda Board Action: A motion was made by Superintendent Critchfield that the Land Board approve and adopt the Consent Agenda. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

Regular—Action Item(s)

4. Endowment Fund Investment Board Report – Presented by Chris Anton, EFIB Manager of Investments, and Janet Becker-Wold, Callan Senior Vice President and Manager

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

Discussion: Mr. Anton noted that his reports were the normal monthly investment performance report and a request for approval of the fiscal year 2025 beneficiary distributions. Beneficiary distributions are considered every August so those agencies can factor the distributions into their budgets. Mr. Anton added that Janet Becker-Wold from Callan is a guest for this meeting. Earlier this year there were some questions about transfers out of the Land Bank Fund and staff thought it might be helpful if the Land Board received an overview of the history of all the work that the Land Board has done over the last 10 years or so in considering the policies related to use of money in the Land Bank. Ms. Becker-Wold will provide an educational overview today.

Starting with the investment performance report, Mr. Anton stated that financial markets were very strong in July driven by some healthy macroeconomic trends. The portfolio was up 2.2%. The Federal Reserve and other central banks appear to be nearing the peak of interest rate hikes. Inflation continues to gradually moderate and economic growth and labor markets remain resilient. Mr. Anton noted the Federal Reserve raised interest rates 0.25% in July bringing its funds target range to 5.25 to 5.5%. Federal Reserve Chair Jerome Powell made it clear that the Federal Reserve is approaching the peak rate and any future increases would be moderate.

Mr. Anton reported that headline inflation declined from 9.1% in June of 2022 to 3% in June [2023] and 3.2% in July [2023]. Core inflation remains elevated at 4.7% as demand for services remains healthy. Wage growth has yet to moderate significantly and shelter costs, because of the lag time in leases for rentals renewing, has yet to fully roll over and bring down the core inflation rate. The second quarter GDP reflected annualized growth of 2.4%, well above estimates of 1.8%. It seems to be this perfect combination of things: the Federal Reserve raised rates, inflation came down, and yet the economy has remained very resilient in the markets. Mr. Anton commented that the portfolio gave back most of those gains and through yesterday [8/14] was close to break-even.

C. FY2025 Beneficiary Distributions and Transfers

Recommendation: The Endowment Fund Investment Board recommends that the Land Board approve FY2025 beneficiary distributions of \$103,221,600 and transfers to the Permanent Fund of \$28,070,000. The transfers to the Permanent Fund will not be included in the Gain Benchmark.

Discussion: Mr. Anton started with an overview of the Land Board's distribution policy, the first part of which is to distribute 5% of a 3-year average value for each permanent fund's balance with the exception of State Hospital South where 7% is used. The Land Board has discretion to adjust that formulated calculation if reserves are below target levels, if the permanent fund is below the gain benchmark, or if there are other relevant factors for example if Lands revenue was expected to decline dramatically. Mr. Anton mentioned the second part of the policy is to maintain earnings reserves at target levels based on years of beneficiary distributions. Current target levels are 7 years. The third part of the policy is to consider transferring excess reserves into the permanent fund, to the extent there are reserves above those target levels. That allows the distributions to grow again because distributions are based on the permanent fund balances. Mr. Anton indicated at the end of fiscal year 2023, the endowment fund generated a return of 10.9% and the calculated inflation rate was 6.3% which gave a net real return of 4.6%. Mr. Anton explained inflation is calculated as a 12 month average of the published CPI (Consumer Price Index). The permanent fund's 4.6% return moved into the earnings reserves at year-end and brought reserve levels up very close to target, or slightly above. Mr. Anton noted the Department was in a very healthy place as Director Miller indicated earlier, with a net revenue of \$52.3 million from Lands which covered slightly more than half of the beneficiary distributions. Fiscal year 2024 beneficiary distributions were \$100.3 million and \$52.3 million of those were funded by the Department of Lands. Earnings reserve levels, with the exception of Public School at 6.6 years and State Hospital South at 6.3 years, exceeded target levels, a very healthy place at the end of the year. Mr. Anton referred to the chart on page 5 of the attachment, which shows a history of distributions from fiscal year 2017 through current fiscal year 2024. Beneficiary distributions have grown from \$63.2 million per year to \$100.3 million per year. Mr. Anton recommended that the Land Board increase distributions to \$103.2 million in fiscal year 2025, a 2.9% increase, and in addition that earnings reserves above the 7 year target level, \$28.1 million, be moved back into the permanent fund. Page 6 of the report contains the detail of the recommendation: approve fiscal year 2025 beneficiary distributions of \$103,221,600 and transfer \$28,070,000 from the earnings reserves back into the permanent fund.

Board Action: A motion was made by Secretary of State McGrane that the Land Board direct the distribution of \$103,221,600 to the beneficiaries and transfer \$28,070,000 to the Permanent Fund. Attorney General Labrador seconded the motion. The motion carried on a vote of 5-0.

D. History of Endowment Reform and Callan's Work

Discussion: Secretary of State McGrane commented that going through the history, and the divestment of the cottage sites, it looks like it created less diversity among the portfolio. The Department has much more locked up in timberlands now than perhaps it ever had. Secretary of State McGrane recognized what the intent was, but the outcome appears to be different, and it seems like the Land Board is at a point of needing to reassess how this is working.

Ms. Becker-Wold noted that it was not that cottage sites were not a profitable investment, it was not the best use of the Department's expertise. Rather than considering it a loss of land assets, consider it a gain in the financial assets. Focus on the assets as a whole was the context. Secretary of State McGrane pointed out that those real estate values skyrocketed over the last decade. Ms. Becker-Wold agreed and said the Land Board could have waited to sell, but back in 2016 they could not predict the market, and there were political issues as well. At the time, it was a prudent decision by the Land Board to sell cottage site parcels and reinvest in real estate in the endowment fund, and in other land acquisitions that could be accreted based on hurdle rates for lands. Secretary of State McGrane indicated an interest in learning more about the risk calculations on the land assets such as how the risk of fire is incorporated. There are risks from the home building market and economic factors that are considered; the State pays a lot of money to try to stop fires and when the Department is acquiring timberland there is a likelihood that the asset is going to burn. There is a probability that some land burns every year, it varies, but there is some threshold that can be calculated. Ms. Becker-Wold said that rather than trying to calculate it as a risk, it is captured by penalizing the return. It costs more to put money into lands than it costs to put money into the S&P 500; that is taken into consideration. There are fees on the financial side, but they are diminished compared to the cost to maintain the land, acquire the land, and then do the fire mitigation. There is a standard deviation that reflects the history of the land returns which would incorporate any kind of impact that fire might have had on the return.

5. **FY2025 Department of Lands Budget Enhancements** – Presented by Dustin Miller, Director

Recommendation: Direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2025 budget proposal due on September 1, 2023.

Discussion:

Secretary of State McGrane: My experience in talking to Casper and meeting with fire crews, and Scott [Phillips] and his team highlighting recruitment challenges and retention challenges with some of the fire crews, in what ways are we doing anything related to that in the budget. I know that these are only the enhancements so there is the base budget. Is there anything in consideration?

Director Miller: Thank you, Governor and Secretary McGrane. That is a big concern, our pay structure for our firefighters: men and women on the fire line, rank and file folks who are permanent fire staff, from the engine captains all the way up to the warden positions. We are competing against the federal government continuously for firefighters. We offer a different kind of culture at IDL, how we fight fire, how we approach fire. We are safe in how we do things; we do things aggressively and we work hard to get these fires out because the public and our assessment-paying timberland owners expect that of us. We are looking at pay structures; we are trying to get creative on how we can pay our folks more. It is a struggle for us. The concern for me is if we adjust pay at the entry level, then we are looking at compression issues all the way up through the fire ranks as well as other positions that are non-fire in those same job classes. We are mulling around ideas to assist in pay and assist in recruitment. We bumped our rookie firefighters up to a minimum of \$15 an hour which closed the gap a bit with the federal government, but incentive bonuses have been provided through the Infrastructure Act at the federal level that may be made permanent in some form, and we will continue to play catch up.

Secretary of State McGrane: Just to clarify, it is not just the entry level and getting those folks but really that retention. When I talked to the fire crews, they mentioned the incentives that the feds are paying are enticing. You are right, the culture aspect is there, but in terms of the initial recruitment even something as small as an allowance for boots; it is a \$500 expense for an 18-year-old kid just to join the team. Little things like that can go a long way in terms of the decision to join BLM or join IDL. A concern is what are we doing to retain the experienced people. It sounds like we are all training; there is not enough experienced firefighters returning. We are training them, the forest service hires them, and then BLM; we are just trading around the same people.

Director Miller: We do need to get creative in our retention strategies. I am glad you mentioned the boot policy because we are talking about that this month as an executive team, and also seasonal housing. We acquired a facility in Kamiah; that is a starting point. Michele Andersen, our Operations Division Administrator is presenting other options for continuing efforts to purchase seasonal housing to offset that cost to seasonal firefighters as well as timber staff. There is nothing in here right now about bumping pay up. We are having those conversations and welcome additional conversations with Land Board staff members about some of these ideas. Again, we need to look at compression issues; if we bump up one category, what does that mean to the upper level positions as well as the other types of positions in those same pay grades. We will be discussing this more with Land Board staff as well as the members as we progress.

Controller Woolf: One of the questions I have is on the fund types, for example the legislature is going to keep a close eye on the general fund and the percentage increase. We are also watching closely the earnings reserve fund and the dedicated fund and the impact there. How do you and your executive team look at your spending, what percentages and how you allocate the decision units. The Board just passed a \$103 million beneficiary distribution; how much does the Department coordinate and work with EFIB to reduce our expenses so our net can be increased. We have our gross but when we expend, we are just reducing our net. How do you build out your budget like this and determine what is general fund and what comes out of earnings reserve or the Lands' dedicated fund?

Director Miller: We are cognizant of all the fund sources, we want to be as clean as possible, but we recognize there are a lot more demands on the Department to provide services. Foremost to the endowments to continue to meet our mandate to increase revenue there as well as the services that are provided to the public. We evaluate all of this very carefully. You mentioned the earnings reserve fund, Mr. Controller, there is an impact there this year. Most of our revenue by far comes from timber; we continue to increase revenue on the timber side and that is increasing costs for us. Tree coolers are a big cost on the earnings reserve side, continuing to increase the cut as well as replant is taking more funding to continue to generate income for the endowments. We want to be as cost-effective as possible to make sure distributions to the endowments continue to increase based on the work from Lands as well as the permanent fund.

Board Action: A motion was made by Superintendent Critchfield that the Land Board direct the Department to include the proposed budget enhancements as outlined, in the Fiscal Year 2025 budget proposal. Controller Woolf seconded the motion. For the record, Governor Little recused himself from this vote. The motion carried on a vote of 4-0.

6. Negotiated Rulemaking for IDAPA 20.04.01, Rules Pertaining to Forest Fire Protection –
Presented by Craig Foss, State Forester/Division Administrator-Forestry and Fire

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.04.01 *Rules Pertaining to Forest Fire Protection*.

Discussion: Governor Little asked if this is a fee rule. Mr. Foss replied it is not a fee rule; assessments are in statute.

Board Action: A motion was made by Superintendent Critchfield that the Land Board authorize the Department to move forward with negotiated rulemaking for IDAPA 20.04.01 as indicated. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

7. Negotiated Rulemaking for IDAPA 20.04.02, Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws –
Presented by Craig Foss, State Forester/Division Administrator-Forestry and Fire

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.04.02 *Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Law*.

Discussion: None.

Board Action: A motion was made by Attorney General Labrador that the Land Board authorize the Department to initiate negotiated rulemaking for IDAPA 20.04.02 *Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Law*. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

8. Use of Land Bank Funds for Employee Housing – Presented by Michele Andersen, Division Administrator-Operations

Recommendation: Authorize potential investment of Land Bank funds in residential real estate for employee housing subject to thorough analysis and Land Board approval prior to closing of transactions.

Discussion:

Attorney General Labrador: We are at a high market right now; we do not know what the real estate market is going to do, but it seems like an interesting time to be purchasing property right now. What analysis you have done on that and are you looking for housing for every employee.

Ms. Andersen: Governor, Attorney General, our recent acquisition in Kamiah is a good case study of how we are approaching this. In the Kamiah market, the property we looked for was something not very desirable for most buyers. It was unique, and the property had been on the market for an extended time period. It was well-suited for us to take that building and build it out into dormitory style housing. We are not looking to buy a house in a subdivision in Meridian; we are looking for unique properties that differentiate us as a buyer. We are trying to target markets where there is a lack of housing; McCall is a good example. The Department struggles for housing there. SITPA, our protection association, struggles for housing there; other state agencies are in the same position. It is not for all of our staff, and it is really working at this recruiting and retention part. If we can get a rookie firefighter to come back for four to five seasons, we have them qualified now to compete and become that permanent resource boss. When they only work for us one or two years, and then move on to somewhere else because now they are qualified to earn more money, live in different markets, we believe that having housing available will entice them to continue to come back and work for us.

Attorney General Labrador: Your last point here in the memo, the different conditions, is all potential acquisitions shall be presented to the Land Board for approval prior to closing. My concern is that once you go through all the work, it is just a perfunctory thing for us to approve it or not. I wonder if that should be done at an earlier stage, because once you have identified the site, gone through everything, it seems like we are going to be hard pressed to say no.

Ms. Andersen: Our intent is that prior to making an offer, it is something that we would bring to Land Board staff; this is what we are looking at, this is what we think we can do with this, this is how we think we could increase revenues and meet the hurdle rate.

Secretary of State McGrane: Are you specifically thinking of housing seasonal employees versus permanent employees, and multi-unit housing, not single housing.

Ms. Andersen: Yes, we are thinking primarily seasonal housing. There are markets where we would consider using it as transitional housing for permanent staff for locations that take more time to find housing; we might consider having a housing agreement with them that they be able to use it for a limited duration until they are able to find their own housing.

Secretary of State McGrane: The scope of this is so broad that it is hard for us to weigh in, whereas the example you gave, I can definitely see with the seasonal employees, you need them based there for part of the year, and we need employees throughout all of the year for different purposes, whether it is timber, fire, other things, that maybe makes sense. We have this extra hurdle of ensuring that there is some clear benefit to the beneficiaries in providing this housing to offset whatever profit we are going to gain, or loss we are going to prevent. It would help to have more information of the scope, not just this broad authority that will then come back to us. Depending on what it is, it also creates a risk for us where we have upset neighbors or something else. We would rather collectively weigh in earlier in the process.

Ms. Andersen: That makes sense. It is property specific; our ideal situation is dormitory style housing. In our budget request last year, we asked for the funds to build something. We were given the funds to purchase existing real estate, and that worked out really well for us. It will be easier for us to modify an existing structure than to start something from the ground up; we already have some infrastructure in place that way. Perhaps it would address the Board's concern if, as we find properties that might be suitable, we bring those to you, make the case why we think that those would suit this purpose prior to making any offers.

Superintendent Critchfield: I am supportive of the concept, and we can work through details to find the right balance there. I want to add, for my fellow Board members, there is an interesting correlation in what you are talking about and what our school districts are dealing with in these exact same areas. We look at superintendents around the state who have to consider being landlords, Lake Pend Oreille, McCall, Blaine County, there are certain places around the state where teachers cannot afford to live and a way to get folks in is to subsidize or offer something for their teachers to live. I have an extra respect for the problem that you are trying to solve. I am supportive and understand and appreciate that there is a need there.

Controller Woolf: Is the intent just for Department of Lands employees or are there other state employees like Fish and Game, DEQ, others. Those agencies have the same dilemma; was the intent just for the Department of Lands?

Ms. Andersen: Governor and Controller, we have been in conversations with our sister agencies, specifically Fish and Game and Parks and Recreation; we want to approach this together to solve common needs. We have communicated regarding where their pinch points are, where they need housing, and where that overlaps with our needs as well; our intent is to meet our need and then be able to supplement other state agencies as well.

Governor Little: One of your conditions, the people of Idaho that amended the constitution for the Land Bank Fund did not think we were going to be buying houses for state employees. Before we spend a lot of money on this, we need a comprehensive statutory and constitutional look at it; we are basically picking up personnel costs. If it is not a flagrant violation, it skirts the intent of the Land Bank, and it is going around the appropriations process. As was stated, Fish and Game, State Police, it is a huge problem. I am sympathetic to the problem but using Land Bank funds is fraught with a violation of the intent of the amendment. My preference is that we address that first. The other part is we are competing against other employers up there. Joe's coffee shop wants to buy a place for his employee, and he is competing with the Land Bank.

Ms. Andersen: Thank you, Governor, and that is our first step, the legal analysis. We have already had initial conversations with counsel about that.

Secretary of State McGrane: There is a real challenge with seasonal jobs where someone is not going to buy a home, and the dormitory style for a fire group for example. The discussion of Fish and Game, all these other agencies, the potential comingling is going to make this even harder. There is a legal hurdle that the Governor pointed out, and the potential of mixing makes it worse. As you do the analysis there needs to be a tailoring of what is or is not acceptable; I will leave it to the AG's office to work with you, but I can see the concern that the Governor is mentioning.

Attorney General Labrador: Governor, I share your concern, and then we open Pandora's box because if we do it for this group then we have to do it for everybody else. As a policy it seems we have some issues. I understand the difficulty that you are having recruiting people, but I would tread very gingerly on this. Just initially, without doing any research, I have some questions about whether we could do this, but we will do the legal analysis.

Board Action: A motion was made by Secretary of State McGrane that the Land Board request legal analysis regarding legality of using Land Bank funds for acquisition of residential real estate for use as employee housing and present the legal finding to the Land Board before further consideration of this item. Attorney General Labrador seconded the motion. The motion passed unanimously.

Information

9. **IT Consolidation** – Presented by Alberto Gonzalez, Administrator, Information Technology Services, and Mark McMinn, Chief Information Officer

Discussion: Superintendent Critchfield asked if the Department is moving forward on this. Governor Little noted it is not an action item at this time; he asked how many IT people are currently at the Department. Mr. McMinn said there are 16. Mr. Gonzalez explained it is still exploratory; ITS and the Department are proceeding with protocols and preparation and may bring a recommendation to the Board in October. Governor Little asked if this will exacerbate the LUMA adoption. Mr. Gonzalez replied that the consolidation is not involved with the LUMA effort and will have no impact; Mr. McMinn concurred. Attorney General Labrador asked if the consolidation is something the Department needs. Director Miller answered that the Department has a good IT team in place, supporting IT functions and pursuing new initiatives. If through the exploratory phase it is determined that some day-to-day help desk support functions would be better moved to ITS, the Department would bring a recommendation to the Land Board. Director Miller remarked that the Department would like to retain field support functions and application development staff. Mr. Gonzalez mentioned that ITS focuses on the commodities services that they are very good at, the network, the security, the infrastructure, and leave behind what is working at the agency such as the app development team. Controller Woolf clarified that this consolidation could be a portion of the Department's IT staff, key areas like network, security, general areas and the Department would keep the application development team and others, for the LIMS project, etc. Mr. Gonzalez said that is an accurate reflection of ITS's intent.

For the record, Controller Woolf left the meeting at approximately 11:04 a.m. to attend other business.

10. Proposed Rule IDAPA 20.05.01, Rules Pertaining to the Recreational Use of Endowment Land –

Presented by Todd Wernex, Program Manager-Recreation

Discussion: None.

At 11:08 a.m., a motion was made by Attorney General Labrador to resolve into Executive Session. Secretary of State McGrane seconded the motion. *Roll Call Vote: Aye:* McGrane, Labrador, Critchfield, Little; *Nay:* None; *Absent:* Woolf.

Executive Session

A. State v. Tim Garayalde

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.

At 11:20 a.m., the Land Board resolved out of Executive Session by unanimous consent. No action was taken by the Land Board during Executive Session.

There being no further business before the Land Board, at 11:20 a.m. a motion to adjourn was made by Attorney General Labrador. Secretary of State McGrane seconded the motion. The motion carried on a vote of 4-0.

STATE BOARD OF LAND COMMISSIONERS

September 19, 2023

Regular Agenda

Subject

Fiscal Year 2025 Idaho Department of Lands (Department) Budget Request

Question Presented

Shall the Land Board approve the Department's FY2025 budget request as submitted to Division of Financial Management (DFM) and Legislative Services Office (LSO) on Friday, September 1, 2023?

Discussion

The budget was developed in accordance with guidelines provided by DFM that prescribe 1% change in employee compensation (CEC), 24% variable benefit rate, and \$14,450 health benefit per full-time employee for the agency. The request includes an additional 4.33 new FTP and transfer of 14.00 FTP for the proposed IT consolidation, bringing the agency's total FTPs to 345.60 (total reduction of 9.67 FTP).

On August 15, 2023, the Land Board approved the Department's FY2025 enhancement decision units (Attachment 1). The Department's budget submittal included several revisions to decision units:

- Line item 4 – Adjusted request to only include increasing one position to full-time FTP due to utilizing existing FTP and funding in the Department. Original request was for .67 FTP and a total of \$51,900; revised request is for .33 FTP and a total of \$27,000.
- Line item 5 – Adjusted salary and benefits for new positions to 80% of policy and adjusted calculation for four temporary technicians. Original request was for a total of \$655,200; revised request is for a total of \$641,200.
- Line item 7 – Adjusted Grants/Contracts Operations Analyst salary and benefits to 80% of policy. Original request was for a total of \$77,600; revised request is for a total of \$81,800 in federal funds.
- New item – Added line item for a total of \$216,800 for the proposed IT consolidation to transfer 14.00 FTP and \$1,436,200 in salary and benefits to the Office of Information Technology Services and a one-time operating increase of \$1,653,000 to fulfill the first year of consolidation.

With the revisions noted above and outlined in Attachment 2, the Department's FY2025 total budget request by funding source is as follows:

FUND TYPE	AMOUNT
General Fund	\$11,084,200
Earnings Reserve Fund	\$36,921,200
Federal Funds	\$19,360,400
Other Dedicated Funds	\$22,926,500
TOTAL REQUEST	\$90,292,300

The FY2025 budget request reflects the following changes above the FY2024 original appropriation:

FUND TYPE	\$ CHANGE	% CHANGE
General Fund	\$669,400	6.4%
Earnings Reserve Fund	\$458,200	1.3%
Federal Funds	\$153,600	0.8%
Other Funds	\$2,805,200	13.9%
TOTAL	\$4,086,400	4.7%

Recommendation

Approve the Department's FY2025 budget request as submitted to Division of Financial Management and Legislative Services Office on Friday, September 1, 2023.

Attachments

1. Approved Board Memo – August 15, 2023
2. Revised FY2025 Budget Enhancements

STATE BOARD OF LAND COMMISSIONERS

August 15, 2023

Regular Agenda

Subject

Fiscal Year 2025 Department of Lands Budget Enhancements

Question Presented

Shall the Land Board direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2025 budget proposal due on September 1, 2023?

Background

The Idaho Department of Lands (Department) is requesting concurrence on the proposed FY2025 Enhancement Decision Units. Pursuant to Idaho Code § 67-3502, agencies must submit their budget request to the Division of Financial Management (DFM) and the Legislative Services Office (LSO) by September 1, 2023. The Land Board briefing and meeting schedules prevent the Department from having the full budget request ready for the August meeting. The complete budget will be presented for Land Board approval at its September meeting.

Discussion

The Department is asking for consideration of the attached decision units. The proposed decision units align with the strategic goals that are detailed in the Department's strategic plan document. The strategic plan is organized around four foundational Department-wide goals: (1) Financial Stewardship – Maximize returns through prudent management of resources and funds, (2) Customer Focus – Exemplary professional service to all customers, (3) People – A high performing workforce, and (4) Process – Effective policies, procedures, and systems to drive informed decision making. Additionally, the Department has outlined six future-proofing goals to include: (1) Classification & Compensation, (2) Office Facilities, (3) Seasonal Housing Facilities, (4) Fire Program Modernization, (5) Fund Integrity, and (6) Policy & Procedures.

The Department is developing a budget submission for FY2025 that will further efforts to meet these Department goals. In Attachment 1, the Department's proposed enhancements are listed in order of priority.

The enhancements in the Department's budget request reflect the following increases over the FY2024 ongoing appropriation:

Fund Type	Increase from FY2024 Base Budget	
	All Ongoing and One-Time Requests Total	All Ongoing Requests Total
General Fund	\$632,800 (6.18%)	\$157,800 (1.54%)
Earnings Reserve Fund	\$577,300 (1.66%)	\$4,200 (.01%)
Lands Dedicated Fund	\$2,815,630 (14.69%)	\$2,576,130 (13.44%)
Federal Funds	\$137,270 (.71%)	\$134,270 (.70%)

The Department has worked with the DFM Administrator and Governor's office contact in developing its budget request as outlined in the May 26, 2023 FY 2025 Budget Overview memo from DFM. As the Department moves through the rest of the budgeting submission process, staff will continue to follow DFM guidelines.

Recommendation

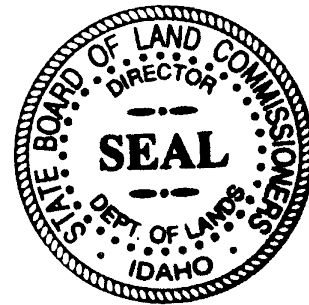
Direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2025 budget proposal due on September 1, 2023.

Board Action

A motion was made by Superintendent Critchfield that the Land Board direct the Department to include the proposed budget enhancements as outlined, in the Fiscal Year 2025 budget proposal. Controller Woolf seconded the motion. For the record, Governor Little recused himself from this vote. The motion carried on a vote of 4-0.

Attachments

1. FY2025 Enhancement Decision Unit Requests



IDL DRAFT ENHANCEMENT BUDGET REQUESTS - FY2025

No.	Budget Unit	Enhancement Description	Amount	Object Ongoing or One-Time	Funding Source (%) GF/DED/ER/FED	FTP Requested
1	LAAD: Fire	Fire Equipment - Cottonwood District	\$500,000 TOTAL OF PRIORITY #1			
		Four Type 5 Engines	\$475,000	CO - One Time	100% GF	0.00
		Engine Fuel + Maintenance	\$25,000	OE - Ongoing		
2	LAAD: Fire	Fire Operating Increase	\$250,000 TOTAL OF PRIORITY #2			
		Operating Expense Increase Due to Inflation/Cost of Goods & Services	\$250,000	OE - Ongoing	50% GF 50% DED	0.00
3	LAAC: Timber	Timber Program Tree Coolers	\$506,600 TOTAL OF PRIORITY #3			
		Seedling Tree Cooler - Pend Oreille Lake	\$345,600	CO - One Time	100% ER	0.00
		Seedling Tree Cooler - Mica	\$161,000			
4	LAAD: Fire	Fire Program Staffing - Add FTP to PT Positions	\$51,900 TOTAL OF PRIORITY #4			
		Lands Program Manager (Dispatch) - To 1.0 FTP	\$15,500	PC - Ongoing	15% GF 59% DED 26% FED	0.67
		Lands Program Specialist (FFP/FEPP) - To 1.0 FTP	\$27,000			
		AA1 (Fire Bureau) - To .83 FTP	\$9,400			
5	LAAB: GNA	GNA Program Staffing	\$655,200 TOTAL OF PRIORITY #5			
		Lands Program Manager	\$101,300	PC - Ongoing	90% DED 10% FED	3.00
		Lands Program Specialist	\$92,100			
		Lands Resource Specialist, Senior	\$83,700			
		Four Temporary Technicians (8-month with benefits)	\$184,600			
		Three 1/2 Ton 4WD Pickups with necessary options	\$147,000	CO - One Time	100% DED	0.00
		Three ATVs	\$36,000			
Computer Equipment + Office Setup for New Staff	\$10,500					
6	LAAB: GNA	GNA Operating Increase	\$2,000,000 TOTAL OF PRIORITY #6			
		Operating Spending Authority	\$2,000,000	OE - Ongoing	100% DED	0.00

IDL DRAFT ENHANCEMENT BUDGET REQUESTS - FY2025

No.	Budget Unit	Enhancement Description	Amount	Object Ongoing or One-Time	Funding Source (%) GF/DED/ER/FED	FTP Requested
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7	LAAB: Asst	Forestry Assistance Program Staffing	\$77,600 TOTAL OF PRIORITY #7			
		Grants/Contracts Operations Analyst	\$74,600	PC - Ongoing	100% FED	1.00
		Computer Equipment + Office Setup	\$3,000	CO - One Time		

8	LAAD: Fire	Fire Program Equipment	\$27,000 TOTAL OF PRIORITY #8			
		Ten Laptops for Engine Boss Positions (High-end)	\$22,000	CO - One Time	100% DED	0.00
		Software Licenses for Laptops	\$5,000	OE - Ongoing		

9	LAAC: Rec	Recreation Program Equipment	\$24,000 TOTAL OF PRIORITY #9			
		One UTV	\$16,000	CO - One Time	100% DED	0.00
		One Enclosed UTV Trailer	\$8,000			

10	LAAC: Tech Serv	Technical Services (GIS) Program Equipment	\$45,500 TOTAL OF PRIORITY #10			
		One 1/2 Ton 4WD Pickup with necessary options	\$45,500	CO - One Time	100% ER	0.00

11	LAAC: Trustland	Operations Equipment	\$25,200 TOTAL OF PRIORITY #11			
		Fifteen Laptops (Standard)	\$21,000	CO - One Time	100% ER	0.00
		Software Licenses for Laptops	\$4,200	OE - Ongoing		

SUMMARY DATA			\$475,000	One Time GF Requested		
			\$157,800	Ongoing GF Requested		
			\$815,600	One Time "Other" Funds Requested		
			\$2,714,600	Ongoing "Other" Funds Requested		
			\$4,163,000	Total Requested		4.67 New FTPs

IDL ENHANCEMENT BUDGET REQUESTS - FY2025

No.	Budget Unit	Enhancement Description	Amount	Object Ongoing or One-Time	Funding Source (%) GF/DED/ER/FED	FTPs Requested
1	LAAD: Fire	Fire Equipment - Cottonwood District	\$500,000 TOTAL OF PRIORITY #1			
		Four Type 5 Engines	\$475,000	CO - One Time	100% GF	0.00
		Engine Fuel + Maintenance	\$25,000	OE - Ongoing		
2	LAAD: Fire	Fire Operating Increase	\$250,000 TOTAL OF PRIORITY #2			
		Operating Expense Increase Due to Inflation/Cost of Goods & Services	\$250,000	OE - Ongoing	50% GF 50% DED	0.00
3	LAAC: Timber	Timber Program Tree Coolers	\$506,600 TOTAL OF PRIORITY #3			
		Seedling Tree Cooler - Pend Oreille Lake	\$345,600	CO - One Time	100% ER	0.00
		Seedling Tree Cooler - Mica	\$161,000			
4	LAAD: Fire REVISED	Fire Program Staffing - Add FTP to PT Position	\$27,000 TOTAL OF PRIORITY #4			
		Lands Program Specialist (FFP/FEPP) - To 1.0 FTP	\$27,000	PC - Ongoing	50% DED 50% FED	0.33
5	LAAB: GNA REVISED	GNA Program Staffing	\$641,200 TOTAL OF PRIORITY #5			
		Lands Program Manager	\$101,900	PC - Ongoing	90% DED 10% FED	3.00
		Lands Program Specialist	\$92,800			
		Lands Resource Specialist, Senior	\$85,200			
		Four Temporary Technicians (8 month with benefits)	\$167,800			
		Three 1/2 Ton 4WD Pickups with necessary options	\$147,000	CO - One Time	100% DED	0.00
		Three ATVs	\$36,000			
Computer Equipment + Office Setup for New Staff	\$10,500					
6	LAAB: GNA	GNA Operating Increase	\$2,000,000 TOTAL OF PRIORITY #6			
		Operating Spending Authority	\$2,000,000	OE - Ongoing	100% DED	0.00
7	LAAB: Asst REVISED	Forestry Assistance Program Staffing	\$81,800 TOTAL OF PRIORITY #7			
		Grants/Contracts Operations Analyst	\$78,800	PC - Ongoing	100% FED	1.00
		Computer Equipment + Office Setup	\$3,000	CO - One Time		
8	LAAD: Fire	Fire Program Equipment	\$27,000 TOTAL OF PRIORITY #8			
		Ten Laptops for Engine Boss Positions (High-end)	\$22,000	CO - One Time	100% DED	0.00
		Software Licenses for Laptops	\$5,000	OE - Ongoing		

9	LAAC: Rec	Recreation Program Equipment	\$24,000 TOTAL OF PRIORITY #9			
		One UTV	\$16,000	CO - One Time	100% DED	0.00
		One Enclosed UTV Trailer	\$8,000			
10	LAAC: Tech Serv	Technical Services (GIS) Program Equipment	\$45,500 TOTAL OF PRIORITY #10			
		One 1/2 Ton 4WD Pickup with necessary options	\$45,500	CO - One Time	100% ER	0.00
11	LAAC: Trustland	Operations Equipment	\$25,200 TOTAL OF PRIORITY #11			
		Fifteen Laptops (Standard)	\$21,000	CO - One Time	100% ER	0.00
		Software Licenses for Laptops	\$4,200	OE - Ongoing		
NEW	LAAA: IT	IT Consolidation	\$216,800 TOTAL OF PRIORITY			
		Fourteen IT positions	-\$1,436,200	PC - Ongoing	7% GF	-14.00
		Operating expenditures to fulfill 1st year of consolidation	\$1,653,000	OE - One Time	13% DED 81% ER	

SUMMARY DATA		\$640,300 One Time GF Requested	
		-\$900 Ongoing GF Requested	
		\$2,303,300 One Time "Other" Funds Requested	
		\$1,402,400 Ongoing "Other" Funds Requested	
		\$4,345,100 Total Requested	4.33 New FTPs
			-14.00 FTP Transfer

STATE BOARD OF LAND COMMISSIONERS

September 19, 2023

Regular Agenda

Subject

Dry Sky Ton Timber Sale with clearcut harvest units exceeding 100 contiguous acres.

Questions Presented

Shall the Land Board approve the Dry Sky Ton 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 Payette Lakes Supervisory Area has submitted a timber sale in the FY24 plan that has two adjacent clearcut harvest units that exceed 100 contiguous acres. Unit 7 (88 acres) and unit 8 (129 acres) are within Department ownership. To the north of unit 8 lies a parcel that is privately owned. The sale area is located 10 air miles northwest of Council, Idaho (Attachments 1, 2 and 3).

The proposed clearcut harvest for this sale consists of two clearcut units. Both units are characterized by a dense shrub understory, which pose an obstacle when attempting to establish natural regeneration. This leads to significant delays in future harvests and underutilization of the site with poor stocking conditions, which are a detriment to the economic return to the Public School beneficiary. Clearcutting both units will be followed by a site prep spray to control the brush and planted with ponderosa pine. The success of clearcut plantations adjoining these units is proven and reinforces the Department's confidence in stand establishment using the clearcut prescription. Unit 7 will leave approximately two to three ponderosa pine per acre. This will be purely strategic, to facilitate cone collection, which will contribute to maintaining a healthy balance of seed for future regeneration needs. Additional information regarding the decision to clearcut can be found in Attachment 4.

The sale has been prepared to meet 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 Payette Lakes Forest Asset Management Plan.

Recommendation

Approve the Dry Sky Ton Timber Sale.

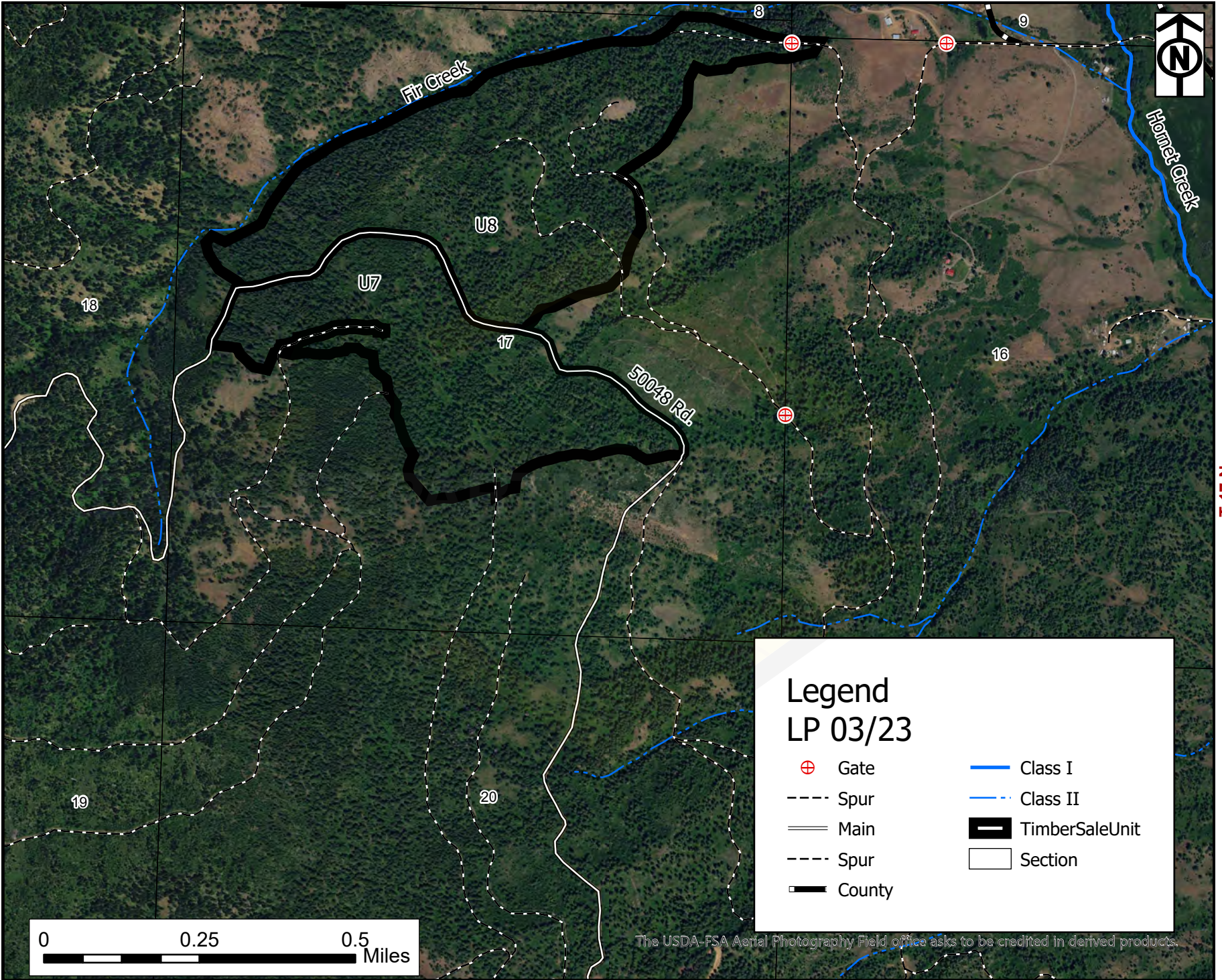
Board Action

Attachments

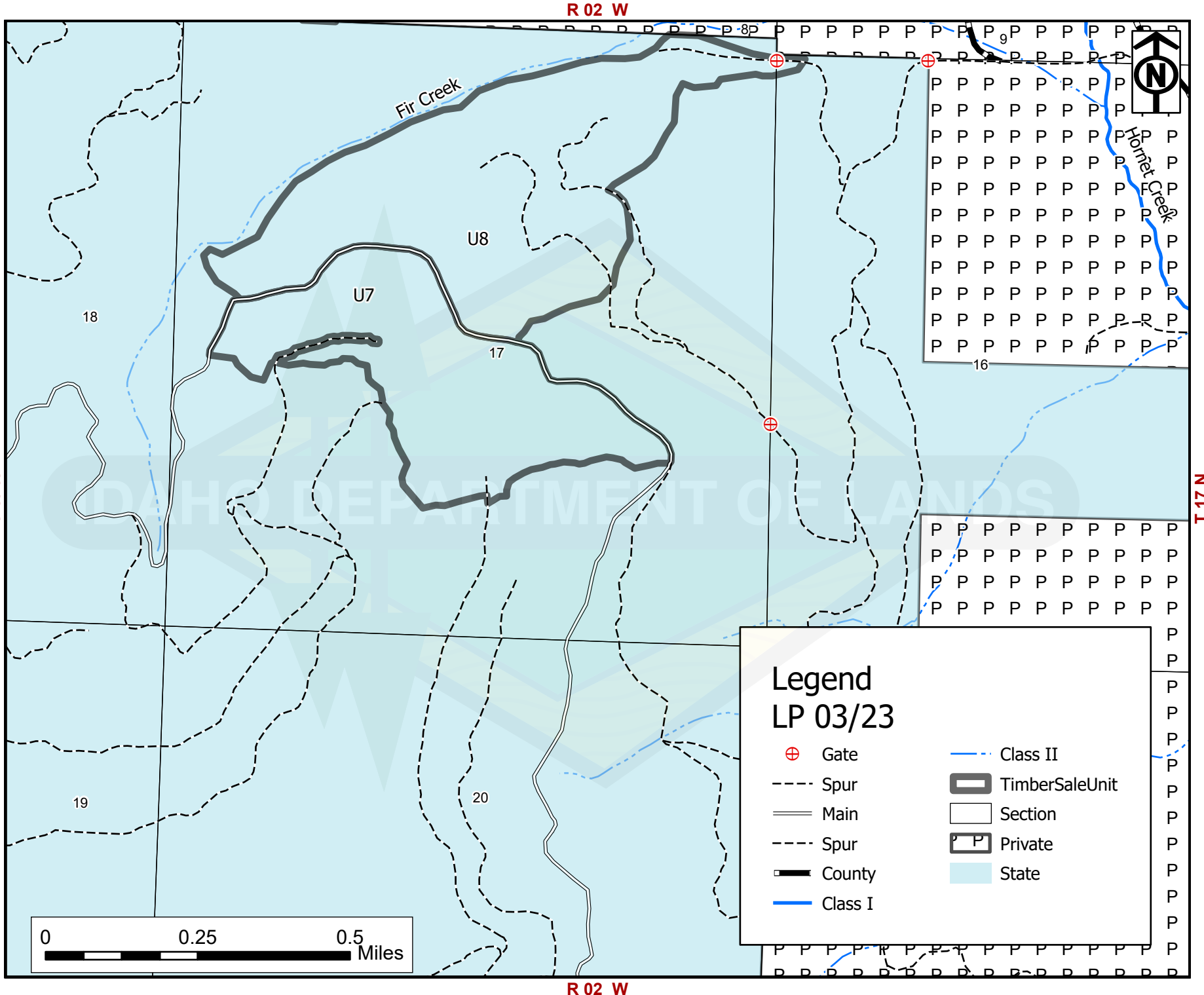
1. Aerial Photo Map
2. Ownership Map
3. Vicinity Map
4. Clearcut Justification
5. Timber Bureau Approval Memo

The logo for the Idaho Department of Lands is centered on the page. It features a stylized mountain range in the background with a green diamond shape in the center. A horizontal banner across the middle of the diamond contains the text "IDAHO DEPARTMENT OF LANDS" in white, uppercase letters. The banner has a slight shadow and rounded ends.

IDAHO DEPARTMENT OF LANDS

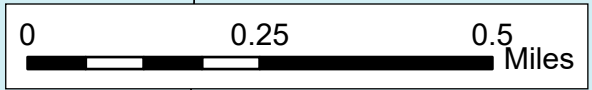


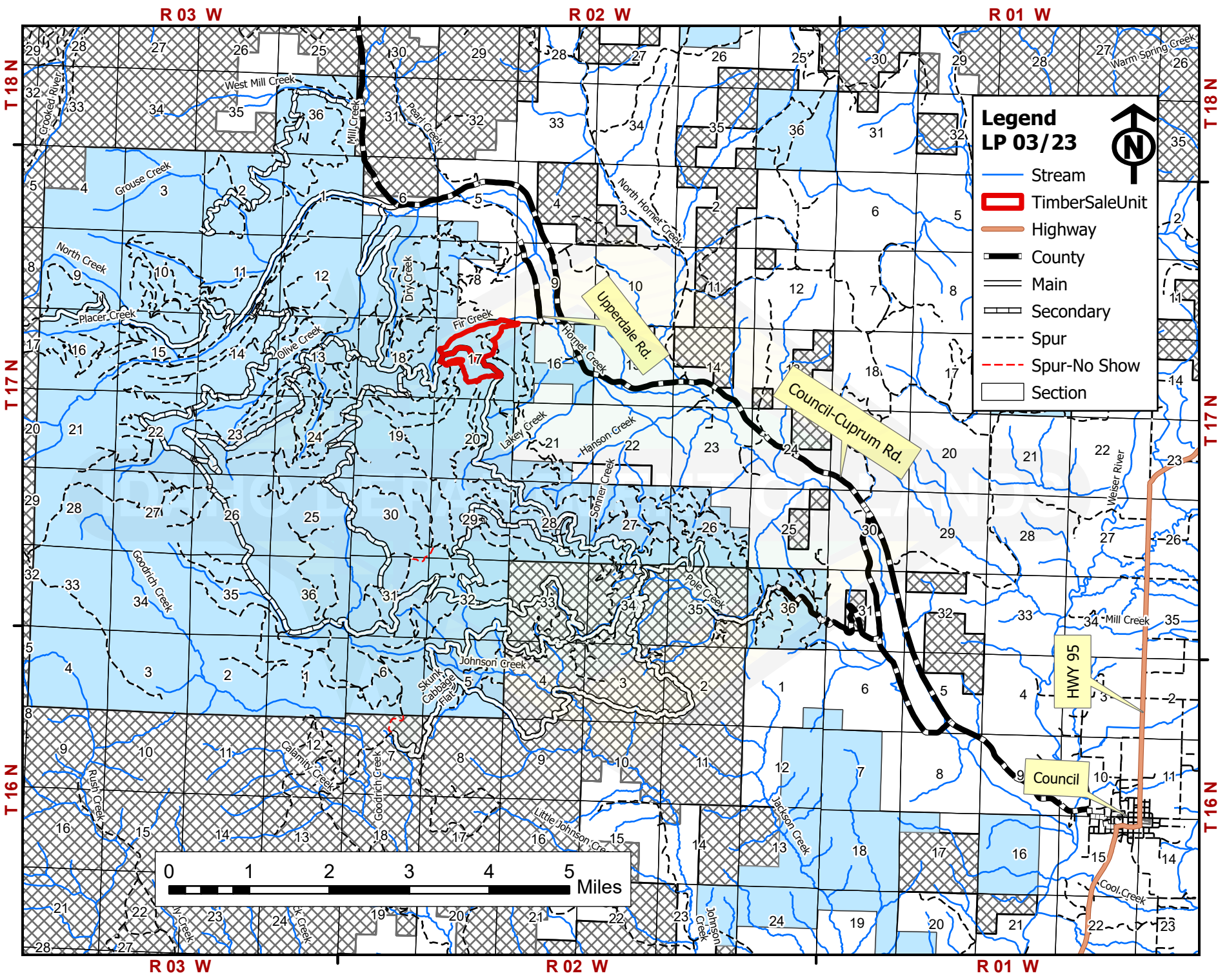
The USDA-FSA Aerial Photography Field office asks to be credited in derived products.



Legend LP 03/23

- ⊕ Gate
- Spur
- Main
- Spur
- ▣ County
- Class I
- Class II
- ▭ TimberSaleUnit
- Section
- ▭ P Private
- State





Legend
LP 03/23

- Stream
- TimberSaleUnit
- Highway
- County
- Main
- Secondary
- Spur
- Spur-No Show
- Section



Dry Sky Clearcut Justification

1. Treatment Description:

a) The stands are primarily composed of mature Douglas-fir with a minor component of ponderosa pine and grand fir. The stands will be clearcut and planted following harvest.

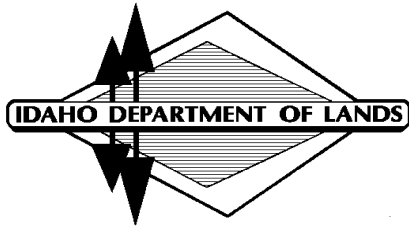
b) Clearcut Justification:

Clearcuts will help achieve Desired Future Conditions outlined in the Payette Lakes Supervisory Area's Forest Asset Management Plan. Clearcutting U7 (88 acres) and U8 (129 acres) is silviculturally and economically justified and complies with the Idaho Forest Practices Act. The two units are adjacent to each other and total 217 contiguous acres. A clearcut prescription will be used to harvest existing stands and re-establish seral species on the site. This prescription will be used for the following reasons:

- 1) A dense shrub layer already exists in the understory and is likely impede the establishment of natural regeneration. Following a natural pathway is likely to add 20 or more years to the stands' rotation and would result in underutilized sites with a low relative stocking index.
- 2) The age of the dominant trees ranges from 70 to 180 years old, with an average age of 110 years old. Both stands exhibit high levels of defect.
- 3) Endemic levels of dwarf mistletoe are present within the Douglas-fir.
- 4) Clearcutting will minimize the number of entries into the area, reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration by planting ponderosa pine.

c) Forest Improvement Activity:

Both units will require a waving wand herbicide application prior to planting. Once sprayed, the units will be planted with 303 ponderosa pine trees per acre. The plantations adjacent to the proposed clearcut units are currently successful.



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

MEMORANDUM

TO: Lucas Pate, Lands Resource Supervisor

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

DATE: July 25, 2023

SUBJECT: Dry Sky Ton (CR500213) Timber Sale

On July 18th, 2023, the timber bureau visited the Payette Lakes Supervisory Area for the annual bureau tour. The focus of the tour on Tuesday was the field review of a proposed clearcut for the Dry Sky Ton timber sale that exceeds IDL Policy for a clearcut exceeding 100 acres. The tour occurred prior to harvesting to discuss the proposal of the fiscal year 2024 timber sale. The sale consists of ten (10) units across 611 acres of endowment lands. Sale units 7 (88 acres) and 8 (129 acres) are proposed to be harvested using a clearcut silviculture system. Attendance also included Payette Lakes timber management personnel.

The two units of Dry Sky Ton Timber Sale are located in sections 16 and 17 of T17N R02W. The public school endowment owns these two sections of the sale area.

The tour started by hiking into the northern portion of unit 8 in section 17. The group walked in an old road near the northern boundary. The sale area was harvested in the early 2000s as a commercial thin which removed mostly grand fir. Currently, the stand has an overstory consisting primarily of Douglas-fir and ponderosa pine (93%). The stand has an established brush understory of oceanspray, ninebark with pockets of Mountain Maple (image 1). With the presence of the heavy vegetative competition in the understory, natural regeneration is not a viable option for this Douglas-fir/ninebark (PSME/PHMA) habitat type.

The group took a quick stop by an adjacent ponderosa pine plantation that was approximately 6-7 years old (image 2). The group noted that the trees are free to grow and starting to put on at least a foot of annual growth. This plantation was a successful outcome from a previous IDL clearcut silviculture system.

The group travelled up the Hornet Slope Road. The road is the unit boundary between the upper end of unit 8 and the lower end of unit 7. The stand composition of unit 7 is similar to unit 8 with Douglas-fir and ponderosa pine in the overstory and a heavy brush component in the understory (image 3). Unit 7 was proposed as a seed tree silviculture system. The group discussed both stands and their similar characteristics. With the well-established understory of brush, natural regeneration is likely to take 20 to 25 plus years to become established. The Bureau recommends applying a clearcut silviculture system to unit 7 as well as unit 8.

The preferred silviculture treatments of clearcutting, site preparation, and planting best suits these stands. Economically, the clearcuts will provide more returns to the endowment by capturing the value of the stands now and quickly establishing seedlings due to the foreseen time delay of establishing natural regeneration.

The Timber Management Bureau recommends that the Area proceed with the two clearcuts, unit 7 (88 acres) and unit 8 (129 acres) that constitute a 217 acre contiguous clearcut prescription.



Image 1 – Current stand structure of unit 8.



Image 2 – Nearby ponderosa pine plantation.



Image 3 – Stand composition of unit 7.

STATE BOARD OF LAND COMMISSIONERS

September 19, 2023

Regular Agenda

Subject

Modification of Delegation of Authority for Disclaimers of Interest

Question Presented

Shall the Land Board modify the delegation of authority to address lake disclaimers?

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. Meander line surveys were completed on Idaho lakes and rivers by the Government Land Office around the time of statehood. The purpose of these surveys was to generally define the banks of the lakes and rivers and establish lots with specific acreages for settlement.

Current landowners adjacent to navigable waterways often have a cloud on their title when the meander lines do not match the current location of the OHWM. This clouded title can affect property transactions, entitlement work, and mortgages. Upland property between the meander lines and the OHWM may be subject to adverse possession by the adjacent upland landowner through a quiet title action. Land Board policy from 1984 directs the Department to work with landowners to pursue disclaimers of interest (disclaimer) for clearing title to the accreted land.

Discussion

At the April 18, 2023 regular Land Board meeting the Idaho Department of Lands' Director was delegated the authority to approve disclaimers if six conditions were met. These conditions were oriented toward disclaimers on navigable rivers, which are the most common. Disclaimers on navigable lakes, however, are not uncommon. This is especially true for Bear Lake in southeast Idaho.

One of the six conditions states "The proposed public use right-of-way is not less than or greater than twenty-five feet (25') in width." This condition is problematic for lake disclaimers because the public use right-of-way is not reserved around lakes. The OHWM of lakes does not move or change, unlike those along most rivers. The location of a lake OHWM is usually not affected by artificial means such as diking or filling, so the easement is not needed to compensate the state for any uncertainty related to the OHWM. The 2007 Land Board policy regarding public access easements reserves a 25-foot public use right of way along navigable rivers except in unusual circumstances. No mention is made of lakes.

The OHWM of a lake is set at a specific elevation. As described in the case *City of Coeur d'Alene v. Lake Coeur d'Alene Property Owners Association et al*, 143 Idaho 443, 147 P.3d 75 (2006), the OHWM is the same elevation at all points around a lake. Modern surveying and LiDAR imagery greatly simplifies the location of the OHWM around a lake.

The condition regarding the public use right-of-way needs to be modified to process routine lake disclaimers more efficiently and allow most to be Director approved. This condition would be modified as follows:

"For navigable rivers, the proposed public use right-of-way is not less than or greater than twenty-five feet (25') in width. For navigable lakes, a public use right-of-way is not required."

The other five conditions would remain unchanged.

Recommendation

Modify the April 18, 2023 policy for disclaimer delegation of authority by replacing the public use right-of-way condition with the following:

"For navigable rivers, the proposed public use right-of-way is not less than or greater than twenty-five feet (25') in width. For navigable lakes, a public use right-of-way is not required."

Board Action

A large, semi-transparent watermark of the Idaho Department of Lands logo is centered on the page. The logo features a stylized mountain range in the background, a sun with rays, and a river or lake in the foreground. The text "IDAHO DEPARTMENT OF LANDS" is written in a bold, sans-serif font across the middle of the logo.