

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: February 20, 2024

Regular Meetings

2/8/2024	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
2/8/2024	Meeting Notice posted in prominent place in IDL's Coeur d'Alene staff office five (5) or more calendar days before meeting.
2/8/2024	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
2/8/2024	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
2/8/2024	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
2/14/2024	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
2/14/2024	Agenda posted in prominent place in IDL's Coeur d'Alene staff office forty-eight (48) hours before meeting.
2/14/2024	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
2/14/2024	Agenda posted electronically on IDL's public website https://www.idl.idaho.gov forty-eight (48) hours before meeting.
2/14/2024	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
12/28/2023	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 posted electronically on IDL's public website https://www.idl.idaho.gov 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.
	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 posted electronically on IDL's public website https://www.idl.idaho.gov 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.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.


Recording Secretary

February 14, 2024

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING FEBRUARY 2024

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, February 20, 2024 in the **Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

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

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

Meeting will be streamed live via YouTube: <https://www.youtube.com/watch?v=pHkZtanz9Jk>

Members of the public may register to attend the Zoom webinar through this link:
https://idl.zoom.us/webinar/register/WN_2QkwjHymS_ayH_ygtipc-Q

First Notice Posted: 2/8/2024-IDL Boise; 2/8/2024-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



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State Board of Land Commissioners Regular Meeting

February 20, 2024 – 9:00 AM (MT)

Final Agenda

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

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

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

Meeting will be streamed live via YouTube: <https://www.youtube.com/watch?v=pHkZtanz9Jk>

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

https://idl.zoom.us/webinar/register/WN_2QkwjHymS_ayH_ygtipc-Q

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – January 2024
- B. Leases and Permits – January 2024

Status Updates

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

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

- A. Manager's Report
- B. Investment Report
- C. Assets Overseen by Investment Board

Consent—Action Item(s)

3. Forest Legacy Program—Baldy Easement – Presented by Archie Gray, Bureau Chief-Forestry Assistance

State Board of Land Commissioners

Final Agenda

Regular Meeting – February 20, 2024

Page 1 of 2

4. **Results of December 22, 2023 Commercial Recreation Lease Live Auction** – *Presented by Kemp Smith, Program Manager-Commercial/Residential Leasing*

5. **Approval of Draft Minutes** – January 16, 2024 Regular Meeting (Boise)

Regular—Action Item(s)

6. **Approval of Swamp Witch Timber Sale with Clearcut Harvest Unit(s)** – *Presented by David Greenwood, Bureau Chief-Forest Management*

7. **Negotiated Rulemaking for IDAPA 20.03.02, Rules Governing Mined Land Reclamation** – *Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance*

8. **Negotiated Rulemaking for IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho** – *Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance*

Information

9. **History of Endowment Reform** – *Presented by Robert Maynard, Chief Investment Officer, PERSI-Retired, and Chris Anton, Manager of Investments, EFIB*

Executive Session

None

IDAHO DEPARTMENT OF LANDS



Idaho Statutes

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

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

History:

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

STATE BOARD OF LAND COMMISSIONERS

February 20, 2024
Trust Land Revenue

Timber Sales

During January 2024, the Department of Lands sold five endowment timber sales at auction. Four sales had competitive bidding. Six endowment timber sales did not sell at auction. The net sale value represents an 8% 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
Canyon Divide	CLW	5,505			\$ 611,249.50	\$ 727,067.00	\$132.07	IFG Timber LLC
Tyson Cedar Salvage	SJ	2,480	25		\$ 664,217.50	\$ 793,242.00	\$316.66	Waddell Logging LLC
Huckleberry Grouse	SJ	6,720	50		\$ 839,338.50	\$ 857,288.90	\$126.63	Stimson Lumber Co
Cottonwood Heights	MC	1,685			\$ 197,572.00	\$ 197,754.00	\$117.36	PK Excav. & Dirt Work LLC
Chicopee Cedar	PL	2,810			\$ 833,799.00	\$ 833,799.00	\$296.73	Stella-Jones
Endowment		19,200	75	0	\$3,146,176.50	\$ 3,409,150.90	\$176.87	



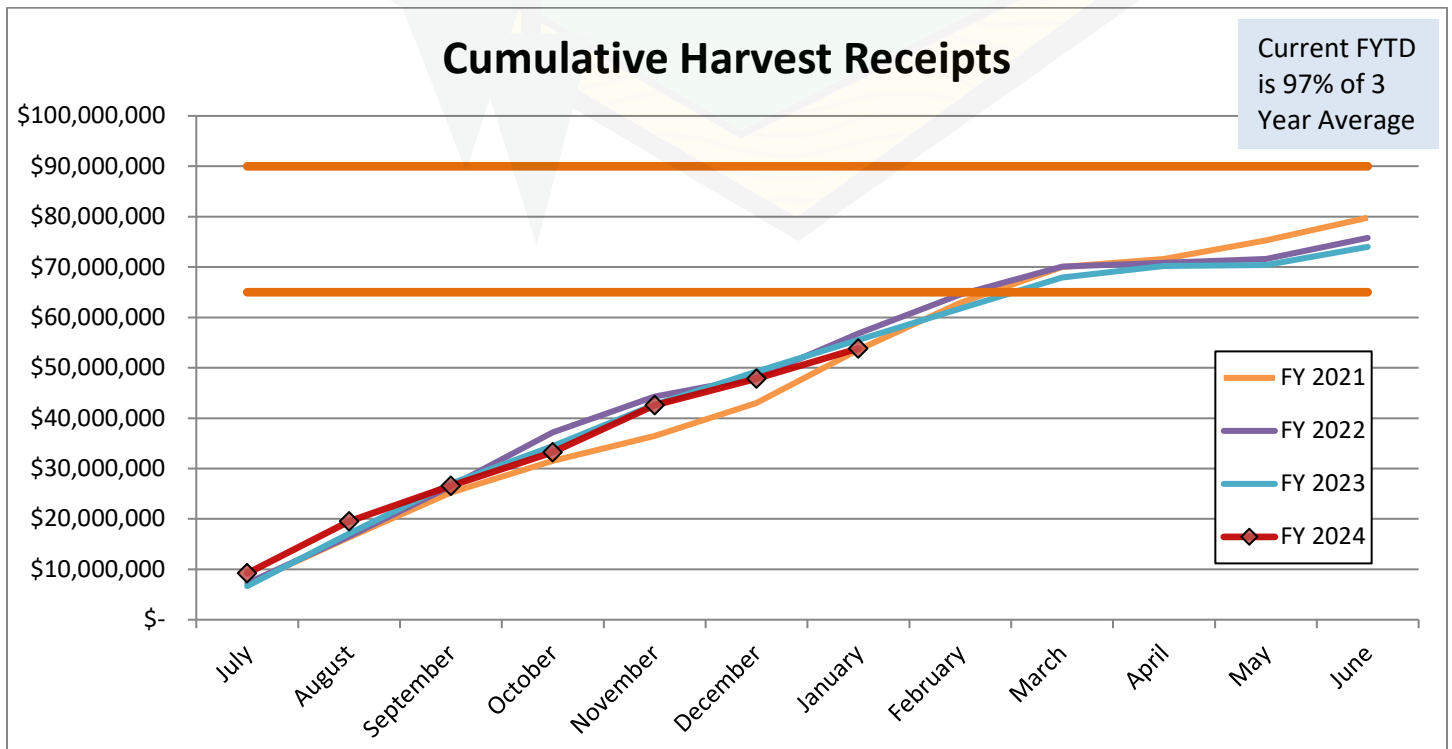
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Two Bear Over	3,000	\$ 579,680	PL	2/13/2024
Stateline Cable	2,930	\$ 490,902	MICA	2/7/2024
Totals	5,930	\$ 1,070,582		
South Operations				
Snake Farm Cedar	9,345	\$ 2,167,089	CLWR	2/22/2024
Meadow Handle Ton	9,435	\$ 941,998	PAY	2/27/2024
Totals	18,780	\$ 3,109,087		

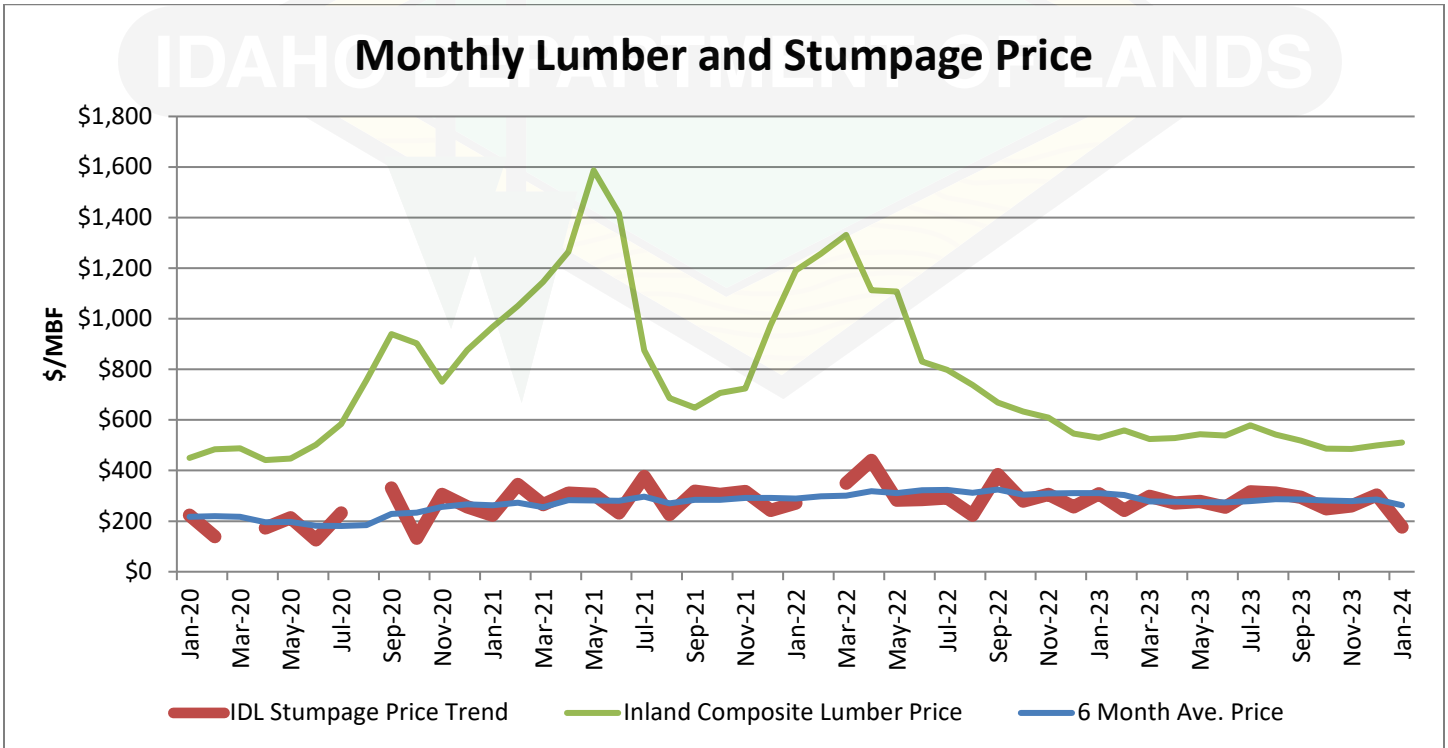
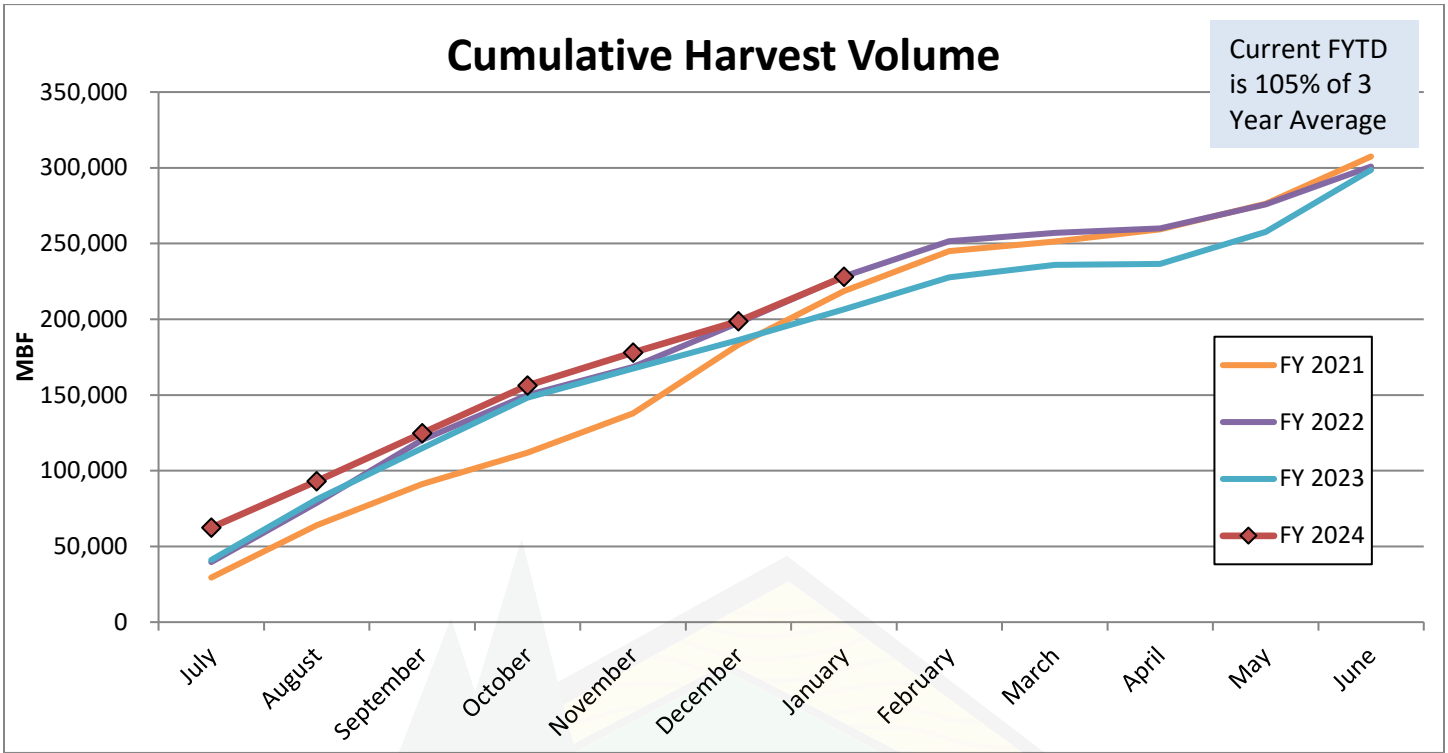
VOLUME UNDER CONTRACT as of January 31, 2024				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			152	163
Total Residual MBF Equivalent	348,388	160,301	508,689	517,451
Estimated residual value	\$101,273,928	\$51,866,480	\$153,140,408	\$139,019,441
Residual Value (\$/MBF)	\$290.69	\$323.56	\$301.05	\$268.66

	TIMBER HARVEST RECEIPTS				
	January		FY to date	February Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 3,394,239.14	\$ 300,526.64	\$ 34,609,293.95	\$ 5,619,432.47	\$ 259,596.32
Pooled	\$ 2,135,615.25	\$ 156,984.32	\$ 19,237,278.02	\$ 3,779,197.66	\$ 288,028.39
General Fund	\$ 0.00	\$ 0.00	\$ 5.33	\$ 0.00	\$ 0.00
TOTALS	\$ 5,529,854.39	\$ 457,510.96	\$ 53,846,577.30	\$ 9,398,630.13	\$ 547,624.71

Status of FY2024 Timber Sale Program						
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of January 31, 2024	94,959	49,138	144,097	14,305	4,320	18,625
Currently Advertised	26,576	11,939	38,515	2,078	880	2,958
In Review	45,758	6,258	52,016	5,937	117	6,054
Did Not Sell*	0	0	0	0	0	0
TOTALS	167,293	67,335	234,628	22,320	5,317	27,637
FY2024 Sales Plan			328,000			20,000
Percent to Date			72%			138%

* After three attempts at auction.

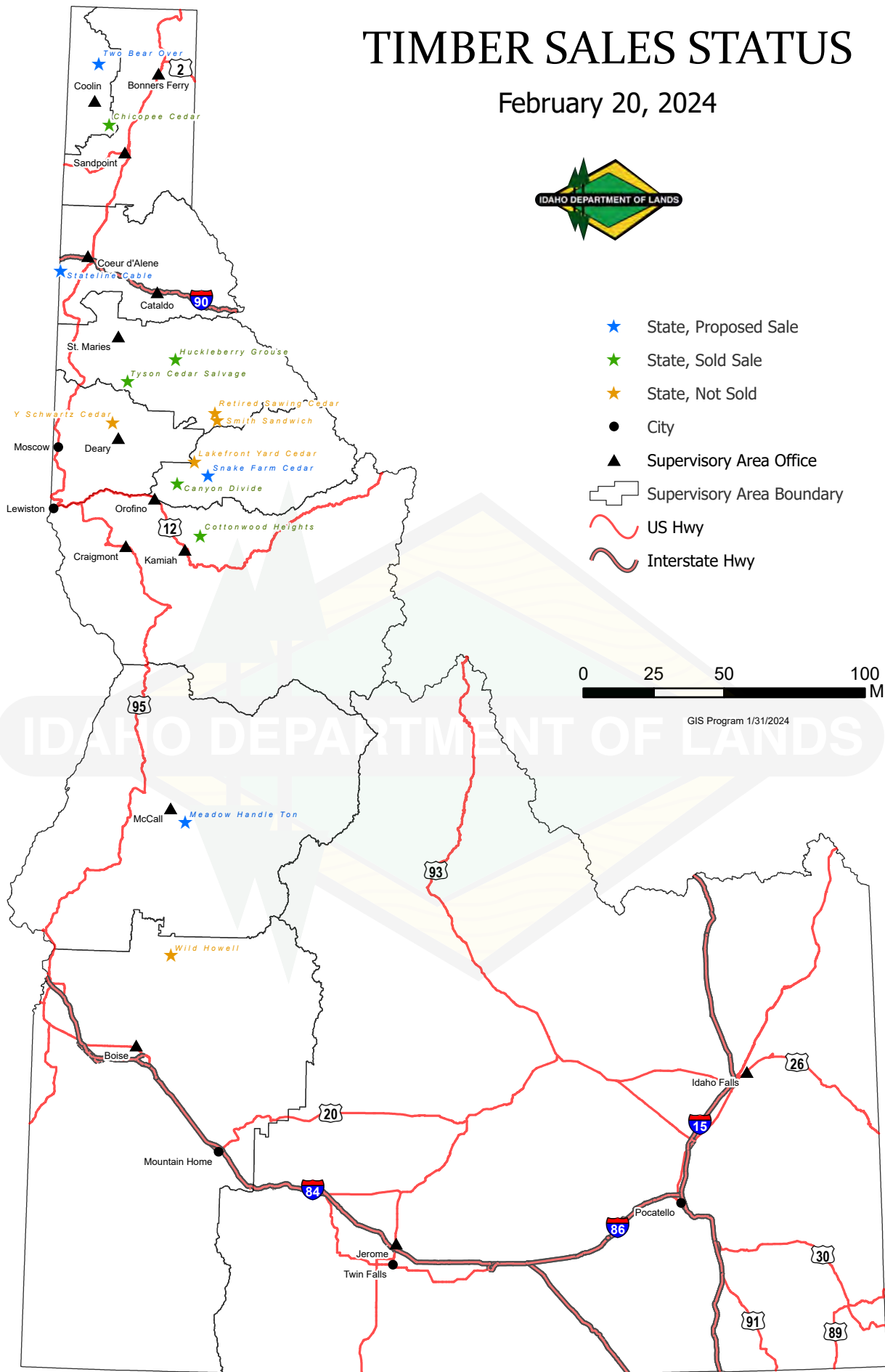




January 2024 6-month average price is \$262.59.
 January 2023 6-month average price was \$311.14.

TIMBER SALES STATUS

February 20, 2024



STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

Endowment Transactions

Leases and Permits

FISCAL YEAR 2024 – LEASING & PERMITTING TRANSACTIONS BY MONTH													
through January 31, 2024													
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	-	-	2	1	-	-	-	-	-	-	6
<i>Assignments</i>	-	-	-	-	-	-	-	-	-	-	-	-	0
Grazing	-	-	-	1	-	-	-	-	-	-	-	-	1
<i>Assignments</i>	-	3	-	-	2	2	5	-	-	-	-	-	12
Residential	-	-	-	7	3	-	2	-	-	-	-	-	12
<i>Assignments</i>	1	-	-	3	-	1	1	-	-	-	-	-	6
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	-	-	-	-	-	-	0
Industrial	1	-	-	-	-	-	1	-	-	-	-	-	2
Military	-	-	-	-	-	-	1	-	-	-	-	-	1
Office/Retail	-	-	-	-	-	-	-	-	-	-	-	-	0
Recreation	-	-	-	-	-	-	2	-	-	-	-	-	2
<i>Assignments</i>	-	-	-	-	-	-	1	-	-	-	-	-	1
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
<i>Assignments</i>	-	-	-	1	-	-	-	-	-	-	-	-	1
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2	1	1	-	2	1	-	-	-	-	-	-	7
<i>Assignments</i>	-	-	-	2	-	-	-	-	-	-	-	-	2
Exploration Location	-	-	32	-	-	-	-	-	-	-	-	-	32
Non-Comm Recreation	2	-	-	-	-	-	-	-	-	-	-	-	2
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-	-	0
PERMITS													
Land Use Permits	1	9	10	9	2	2	8	-	-	-	-	-	41
TOTAL INSTRUMENTS	9	15	43	23	11	7	21	0	0	0	0	0	129

Real Estate

FISCAL YEAR 2024 – REAL ESTATE TRANSACTIONS BY MONTH – through January 31, 2024													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-	1	-	-	-	-	-	-	-	-	-	1
Deeds Granted	-	-	4	3	-	-	-	-	-	-	-	-	7
Deeds Granted - Surplus	-	-	-	-	-	-	-	-	-	-	-	-	0
Easements Acquired	1	-	-	-	-	-	-	-	-	-	-	-	1
Easements Granted	-	-	1	-	1	-	3	-	-	-	-	-	5
Notes													
<i>Easements granted:</i>													
<i>Kootenai Electric Cooperative, Inc. - Power Line</i>													
<i>Avista Corporation - Gas Pipeline</i>													
<i>Spectrum Pacific West, LLC - Communications Line</i>													

TRUST LAND MANAGEMENT DIVISION
FY2024 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through January 31, 2024

	REVENUE YTD AS OF 01.31.2024	REVENUE EXPECTED BY 01.31.2024*	REVENUE EXPECTED BY 06.30.2024
SURFACE			
AGRICULTURE	\$ 495,481	\$ 524,625	\$ 592,000
COMMUNICATION SITES	\$ 1,277,255	\$ 935,000	\$ 1,190,000
GRAZING	\$ 89,459	\$ 15,200	\$ 1,680,200
RESIDENTIAL LEASES	\$ 947,344	\$ 745,000	\$ 1,017,395
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 50,426	\$ 95,840	\$ 95,840
COMMERCIAL INDUSTRIAL	\$ 161,700	\$ 101,000	\$ 142,000
COMMERCIAL MILITARY FACILITIES	\$ -	\$ 72,000	\$ 151,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 726,721	\$ 777,000	\$ 991,600
COMMERCIAL RECREATION	\$ 706,031	\$ 994,000	\$ 1,014,000
OTHER			
CONSERVATION LEASES	\$ 71,195	\$ 73,000	\$ 73,000
GEOHERMAL	\$ 250	\$ -	\$ 5,012
MINERAL LEASES	\$ 603,912	\$ 4,750	\$ 113,000
OIL AND GAS LEASES	\$ 8,223	\$ 2,076	\$ 3,926
Sub Total	\$ 5,137,997	\$ 4,339,491	\$ 7,068,973
REAL ESTATE SERVICES (ER)	\$ -	**	
Grand Total - Earnings Reserve	\$ 5,137,997		

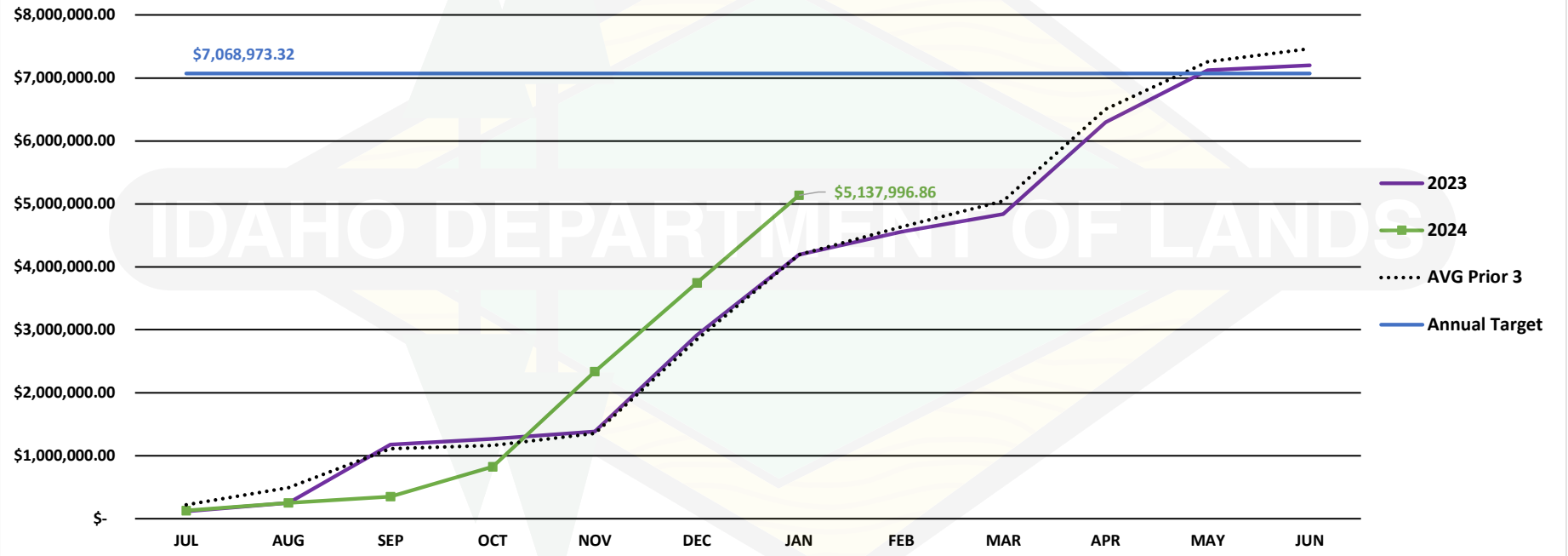
PERMANENT FUND REVENUE	
MINERALS (PF)	\$ 1,499,327 ***

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

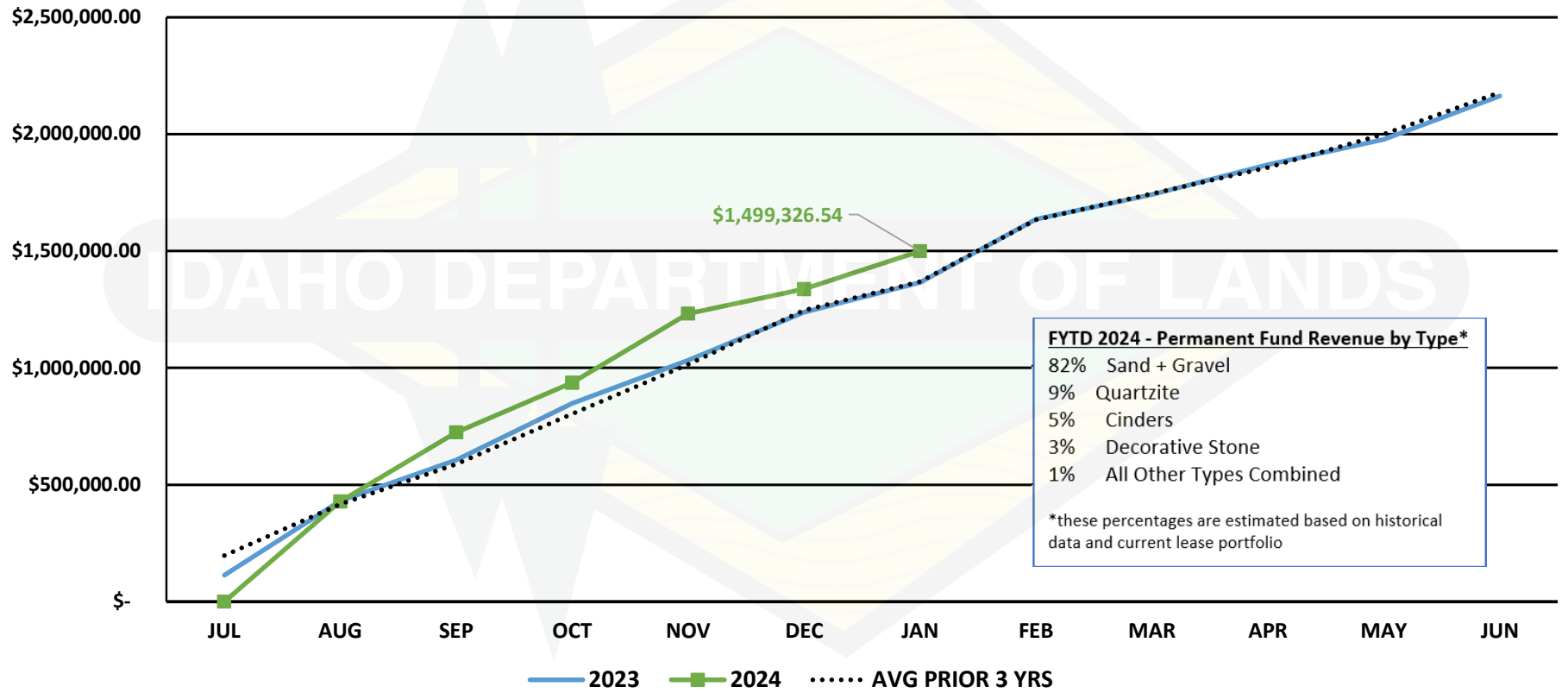
** This category is not included in the annual forecast.

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

**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

February 20, 2024
2024 Legislative Summary

Status of legislation monitored by the Department of Lands

IDL Pending Rules

Non-Fee Rules

[Docket No. 20-0101-2301](#) (p.59) – Rules of Practice and Procedure Before the State Board of Land Commissioners

Status Senate Resources and Environment – hearing scheduled on February 9. House Resources and Conservation – approved.

[Docket No. 20-0501-2301](#) (p.153) – Rules Pertaining to the Recreational Use of Endowment Land

Status Senate Resources and Environment – hearing scheduled on February 9. House Resources and Conservation – approved.

Fee Rules

[Docket No. 20-0301-2301](#) (p.85) – Rules Governing Dredge and Placer Mining Operations in Idaho

Status Senate Resources and Environment – approved. House Resources and Conservation – hearing scheduled on February 13.

[Docket No. 20-0303-2301](#) (p.131) – Rules Governing Administration of the Reclamation Fund

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

[Docket No. 20-0305-2301](#) (p.142) – Riverbed Mineral Leasing in Idaho

Status Senate Resources and Environment – hearing scheduled on February 9. House Resources and Conservation – approved.

IDL Legislation

Budget

IDL budget setting on February 16, *tentatively*.
EFIB budget setting pending.

Other Legislation Being Monitored

Endowment Land

[H0434 STATE LAND LEASES](#) – Adds to existing law to provide for standard maintenance and repair terms and conditions and to provide for remediation.

Status Referred to House Resources and Conservation

[S1243 GRAZING](#) – Adds to existing law to provide for permits.

Status House – Second Reading.

Navigable Waters

[S1257 NAVIGATIONAL ENCROACHMENTS](#) – Amends existing law to define a phrase and to revise a provision regarding certain documentation.

Status Referred to Senate Resources and Environment.

Miscellaneous

[H0409 STATE GOVERNMENT](#) – Amends and repeals existing law relating to the sale, transfer, or disposition of state administrative facilities.

Status House – passed 70-0-0. Referred to Senate State Affairs.

[S1219 STATE EMPLOYEES](#) – Adds to existing law to establish state employee telework requirements and requirements relating to salary adjustments and savings.

Status Referred to Senate State Affairs.

[S1223 STATE PROCUREMENT ACT](#) – Amends existing law to revise a provision regarding notice of a solicitation.

Status Senate – passed 33-0-2. Referred to House Commerce and Human Resources.

STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

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, easements, and disclaimers of interest. 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 FY2017 through first half of FY2024:

Table 1: Navigable Waterways Historical Instrument Numbers								
Instrument Type	2017	2018	2019	2020	2021	2022	2023	2024
Encroachment Permits Issued	289	338	412	383	542	425	384	159
Active Submerged Land Leases	192	180	172	179	176	153	196	189
New Submerged Land Leases	8	36	48	24	17	6	39	10
Active Riverbed Mineral Leases	2	2	2	3	1	1	1	1
New Riverbed Mineral Leases	0	0	0	0	0	0	0	0
Active Exploration Locations	3	4	2	3	5	2	2	1
New Exploration Locations	1	2	4	0	0	1	0	0
New Submerged Land Easements	6	2	3	2	3	6	4	6
New Disclaimers of Interest	1	3	0	1	2	2	5	3

PAST 6-MONTH HIGHLIGHTS

- **Administrative Hearings.** Between July 1, 2023 and December 31, 2023, the Department ordered three public hearings and three contested case hearings on encroachment permit applications. Five resulted in approval and one has not yet been held.
- **Negotiated Rulemaking.** In compliance with Executive Order 2020-01, the administrative rule "Riverbed Mineral Leasing in Idaho," IDAPA 20.03.05, was approved as a pending rule for review by the 2024 legislature.

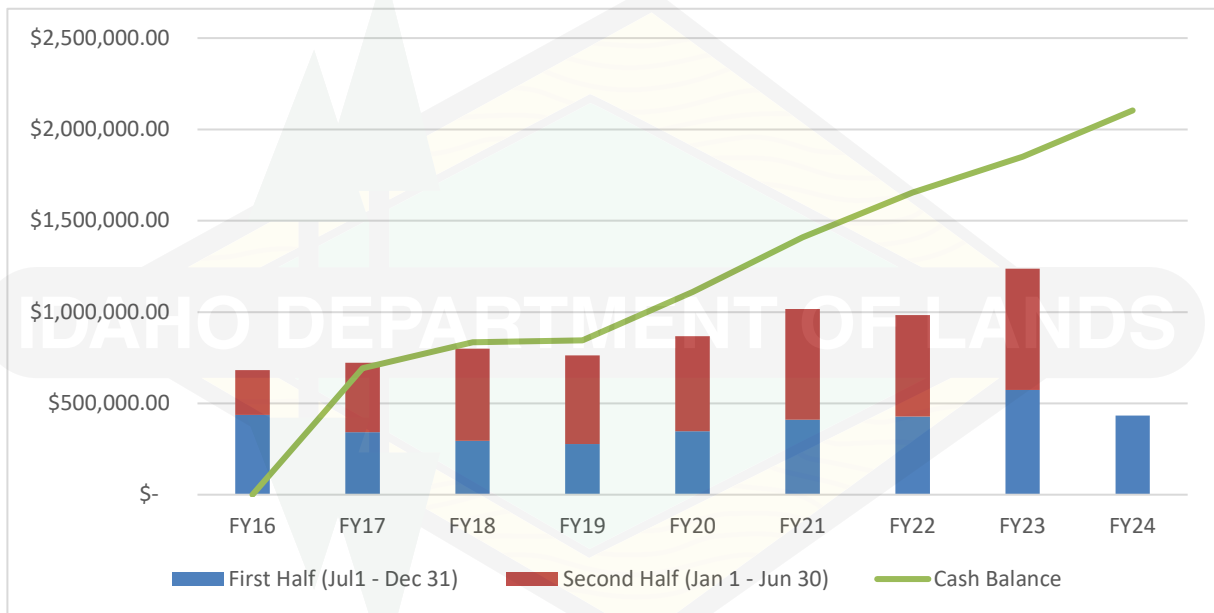
NEXT 6 MONTHS

- **Research and Negotiated Rulemaking.** Preparations are underway to start negotiated rulemaking for "Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho," IDAPA 20.03.04. This will allow extra time for negotiations prior to presentation at the 2026 legislative session.

FINANCIAL UPDATE

- The Department generated \$432,780 from navigable waterways in the first half of FY2024. The dedicated fund for this program exceeded \$2 million for the first time as shown in Figure 1. The Department anticipates a transfer to the waterways improvement fund established pursuant to § [57-1501](#) at the end of this fiscal year.

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, 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, were approved as pending rules for review by the 2024 legislature.
- **Large Mine Reviews.** The Department reviewed the Preliminary Final Supplemental EIS prepared for Perpetua Resources' Stibnite Gold Project and worked with the Forest Service on a possible mitigation measure related to topsoil. The Department

also worked with DEQ to review the cyanidation permit and permanent closure plan. Integra's DeLamar Mine expansion continued to evolve, and the Department reviewed related documents with other agencies. First Gold hosted an interagency site visit for a new Black Pine Mountain Mine in Cassia County.

LOOKING FORWARD

- **Research and Negotiated Rulemaking.** Preparations are underway to start negotiated rulemaking for "Rules Governing Mined Land Reclamation," IDAPA 20.03.02. This will allow extra time for negotiations prior to presentation at the 2026 legislative session.
- **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. Staff are working with them to set up a third party review of the reclamation cost estimate for that plan as allowed by statute.

TOTAL PERMITS AND BONDING

The Department currently administers 1,584 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.

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)
1552	32	-	28

Instrument Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mined Land Reclamation										
New Reclamation Plans	25	36	24	18	28	17	10	10	29	17
Retirements	14	36	15	22	9	13	7	14	20	12
Total Reclamation Plans	1,528	1,530	1,542	1,540	1,561	1,580	1574	1545	1571	1584
Dredge and Placer										
New/Amended Permits	1	3	3	1	2	0	1	2	0	0
Retirements	-	-	2	0	1	0	0	0	3	0
Total Permits	25	25	26	27	28	28	29	31	28	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. Table 6 has details from the FY2024 BAF billing. Figure 2 illustrates the revenue, expenditures, and balance for this fund.

Table 4: Bonding for Sand and Gravel, Light Industrial, and Placer Permits								
	Reclamation Plans (IDAPA 20.03.02.069)				Dredge and Placer Permits (IDAPA 20.03.01)			
	Plans	Permitted Acres	Total Bond	Bond/Acre	Permits	Affected Acres	Total Bond	Bond/Acre
Traditional Bond ¹	312	23,633	\$22 Million	\$939	22	97.5	\$232K	\$2,380
Bond Assurance Fund	621	28,352	n/a	n/a	6	32	n/a	n/a

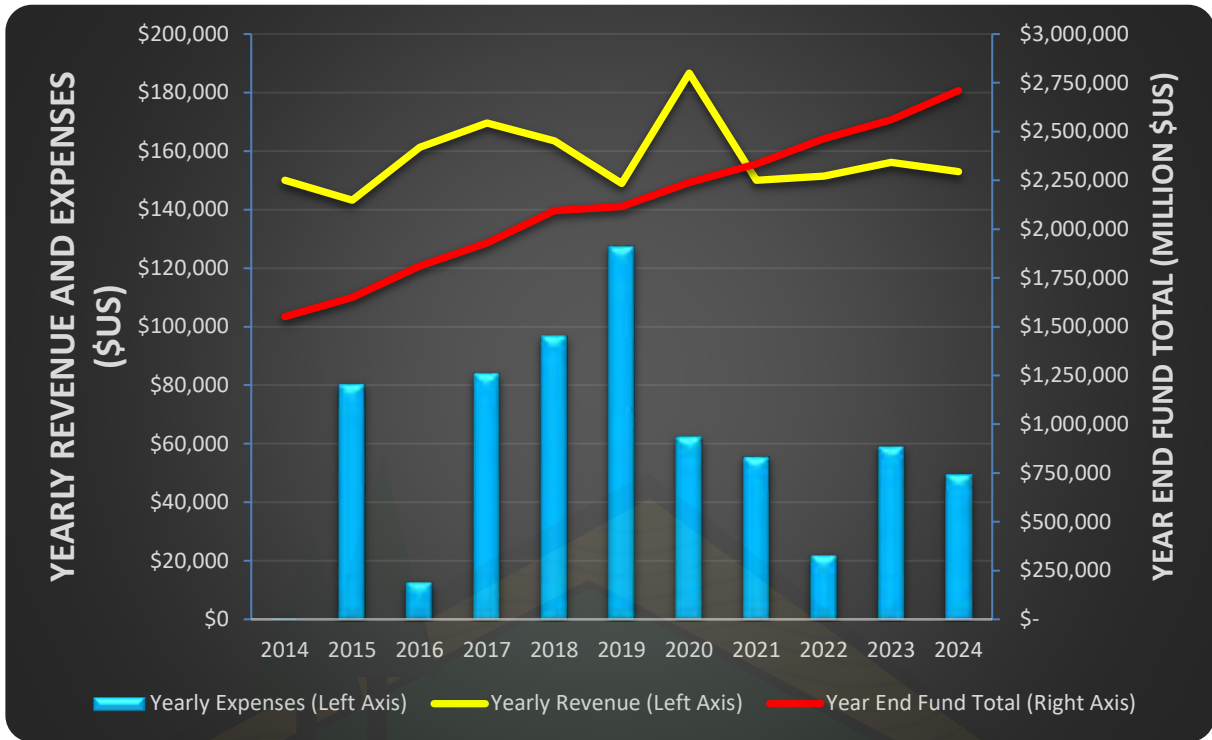
¹ Surety Bond, Letter of Credit, Certificate of Deposit, or Cash

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 FY2024)			
Disturbance (ACRES)	Annual Fee Schedule (\$)	Total Permits Distribution	Total Annual Fees Due (\$)
2 acres or less	\$100	157	\$15,700
> 2 acres ≤ 5 acres	\$200	154	\$30,800
> 5 acres ≤ 10 acres	\$250	140	\$35,000
> 10 acres ≤ 15 acres	\$300	54	\$16,200
> 15 acres ≤ 20 acres	\$350	39	\$13,650
> 20 acres ≤ 25 acres	\$400	27	\$10,800
> 25 acres ≤ 30 acres	\$450	24	\$10,800
> 30 acres ≤ 35 acres	\$500	7	\$3,500
> 35 acres ≤ 40 acres	\$550	19	\$10,450
TOTAL		621	\$146,900.00

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



IDAHO DEPARTMENT OF LANDS

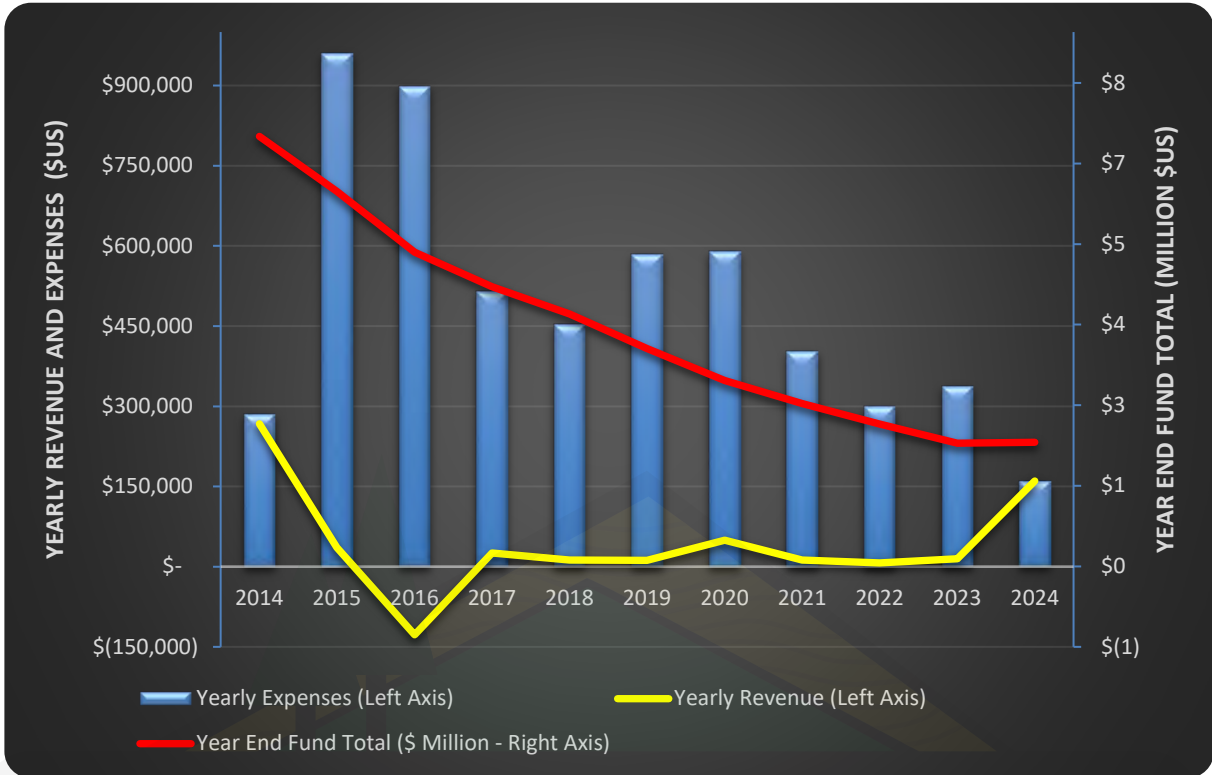
ABANDONED MINE LANDS

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 the first half of FY2024 was \$160,363.36. Table 7 lists the projects worked on in the first half of FY2024. Figure 3 illustrates the revenue, expenditures, and balance for this fund.

Table 7: Abandoned Mine Lands Projects July through December, 2023

Project Name	Project Description
Triumph Mine	Sampling, ground water modeling, site drainage, NPDES permitting.
Idaho Geological Survey	AML information compilation and digitization.
Star Hope Mine	Closed one adit, inspected one open shaft
Yankee Fork Mines	Inspected several caved adits and a shaft, and one open adit
Copper Basin Mine	Inspected several caved adits and three open shafts
Silver City	Inspected stope in city street

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



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 January 31, 2024

Month: 0.1% Fiscal year: 5.0%

Equity markets were up slightly during January as the U.S. economy remained strong. The U.S. employment report delivered a positive signal on labor conditions with the addition of 353,000 nonfarm payroll jobs and an unchanged unemployment rate of 3.7%. The improvement in hiring was broad-based across industries. Manufacturing also showed signs of improvement and consumer spending remained robust. Big tech companies reported strong earnings which pushed the S&P500 to a new high.

Status of endowment fund reserves

Distributions for FY2024 and FY2025 are well secured.

Significant actions of the Endowment Fund Investment Board

None

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None

Material legal issues: None

Changes in board membership or agency staffing: None

Upcoming issues/events

Board Meeting – May 21, 2024

Preliminary Report (Land Grant Fund)

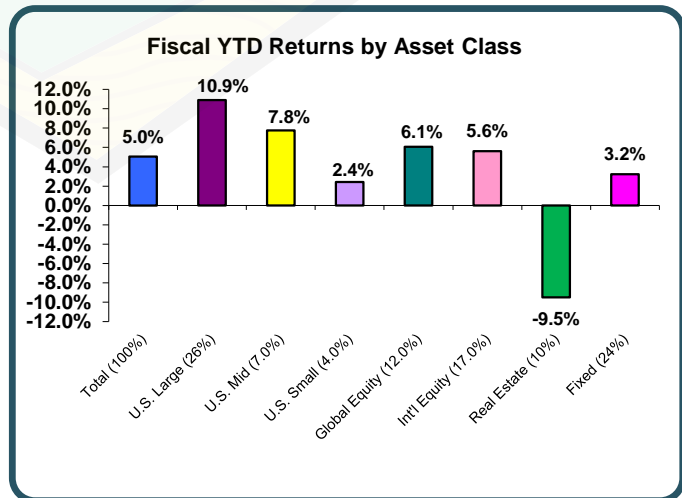
January 31, 2024

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	2,942,351,705	\$ 2,947,604,447
Distributions to Beneficiaries	(8,359,583)	(58,767,081)
Land Revenue net of IDL Expenses	6,837,194	38,735,030
Change in Market Value net of Investment Mgt. Expenses	<u>130,993,358</u>	<u>144,250,279</u>
Current Value of Fund	<u>\$ 3,071,822,674</u>	<u>\$ 3,071,822,674</u>

<u>Gross Returns</u>	<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>
Total Fund	0.1%	0.1%	5.0%	7.8%	3.8%	8.3%	7.4%
<i>Total Fund Benchmark*</i>	0.2%	0.2%	5.5%	8.7%	4.1%	7.9%	7.2%
Total Fixed	-0.2%	-0.2%	3.2%	2.5%	-2.7%	1.2%	1.8%
<i>BBG U.S. Agg. (Ag)</i>	-0.3%	-0.3%	3.1%	2.1%	-2.8%	1.2%	1.8%
Total Equity	1.0%	1.0%	7.7%	13.0%	6.5%	11.7%	9.8%
<i>57% R3 29% Ax 14% AC</i>	0.4%	0.4%	7.9%	14.6%	6.4%	10.7%	9.4%
Domestic Equity	1.2%	1.2%	9.4%	15.2%	8.0%	12.9%	11.4%
<i>Russell 3000 (R3)</i>	1.1%	1.1%	9.6%	19.1%	9.1%	13.5%	12.0%
Global Equity	0.4%	0.4%	6.1%	13.0%	6.7%	12.1%	8.6%
<i>MSCI ACWI (AC)</i>	0.6%	0.6%	7.9%	14.7%	6.1%	10.2%	8.4%
Int'l. Equity	1.2%	1.2%	5.6%	8.8%	3.4%	9.2%	6.6%
<i>MSCI ACWI ex-US (Ax)</i>	-1.0%	-1.0%	4.6%	5.9%	1.1%	5.3%	4.2%
Real Estate			-9.5%	-13.2%	2.5%	2.9%	
<i>NCREIF ODCE Index</i>			-4.9%	-12.9%	6.1%	4.7%	

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

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,172.4	38.2%
Large Cap	834.3	27.2%
Mid Cap	218.8	7.1%
Small Cap	119.3	3.9%
Global Equity	370.7	12.1%
Int'l Equity	525.1	17.1%
Fixed Income	745.5	24.3%
Real Estate	241.8	7.9%
Cash	<u>15.7</u>	<u>0.5%</u>
Total Fund	<u>\$ 3,071.8</u>	<u>100.0%</u>

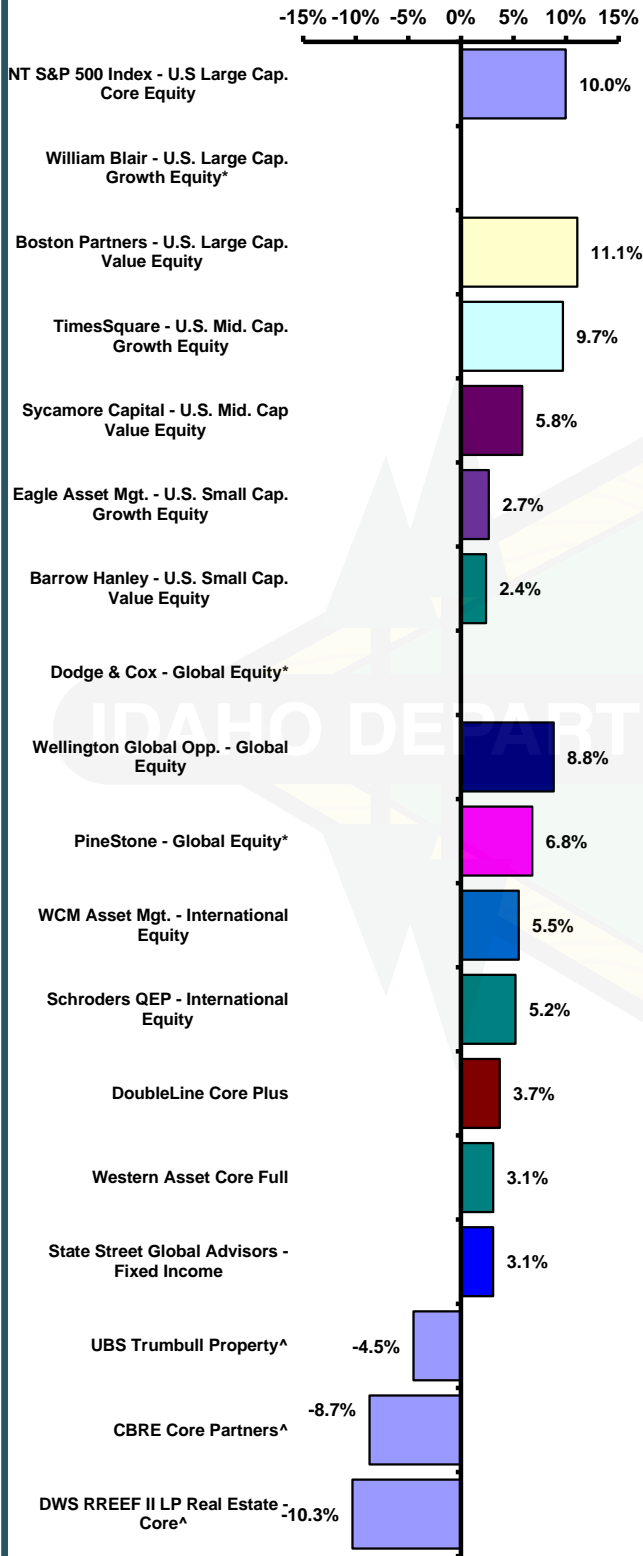


Endowment Fund Staff Comments:

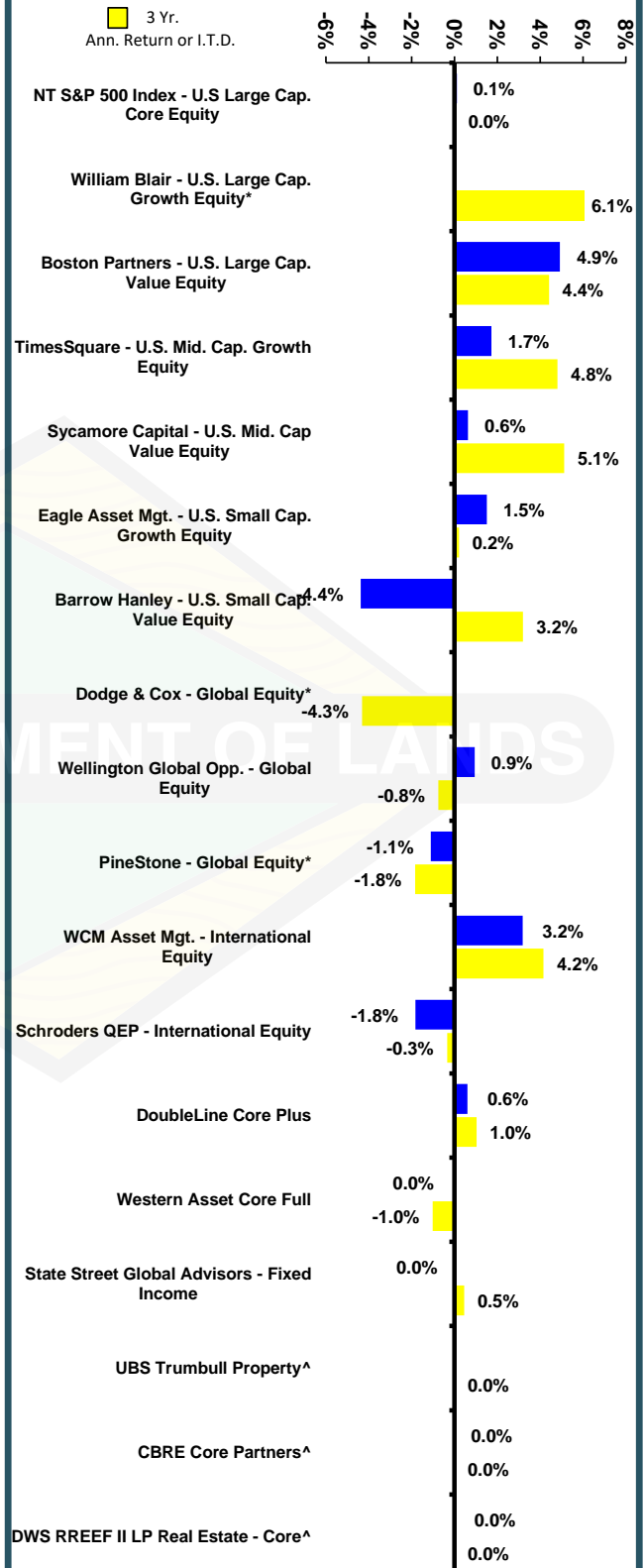
Equity markets were up slightly during January as the U.S. economy remained strong. The U.S. employment report delivered a positive signal on labor conditions with the addition of 353,000 nonfarm payroll jobs and an unchanged unemployment rate of 3.7%. The improvement in hiring was broad-based across industries. Manufacturing also showed signs of improvement and consumer spending remained robust. Big tech companies reported strong earnings which pushed the S&P500 to a new high.

INVESTMENT REPORT

FYTD Manager Returns



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



^ Most recent valuation. * I-T-D if no 3-yr. history

Assets Overseen by the Investment Board December 31, 2023

	Assets	
	(\$Millions)	% of Total
Land Grant Endowment	3,071.8	72.2%
State Insurance Fund	1,001.4	23.5%
DEQ	123.0	2.9%
Fish & Game	53.5	1.3%
Parks & Rec.	5.9	0.1%
ID Dept of Lands	0.7	0.0%
Total	4,256.3	100.0%

STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

Consent Agenda

Subject

Authorization to purchase the Forest Legacy Program easement, known as Baldy, comprising 918 acres of privately-owned forestland in Boundary County

Question Presented

Shall the Land Board authorize the Department to accept the Baldy tract into Idaho's Forest Legacy Program?

Background

- The Idaho State Board of Land Commissioners (Land Board) authorizes the Idaho Department of Lands (Department) to acquire such interests by voluntary, cooperative means and to create a Forest Legacy easement pursuant to Idaho Code Title 55, Chapter 21.
- The Cooperative Forestry Assistance Act (the "Act") of 1978 (16 U.S.C. 2101 et. seq.), as amended by Section 1217 and Title XII of the Food, Agriculture, Conservation Trade Act of 1990 (16 U.S.C. 2103c), established the federal Forest Legacy Program to protect environmentally important forestlands threatened with conversion to non-forest use.
- The Forest Legacy Program is funded through congressional authorizations and offshore oil drilling royalties.

The Forest Legacy Program (FLP) is a voluntary initiative. It empowers private landowners to safeguard their forestland for perpetual timber production. Under the program, landowners voluntarily sell their development rights at market value, but retain land ownership, management, and revenue from their land while continuing to pay property taxes. Federal grants allow Idaho's FLP to purchase the development rights, preventing the land being converted to non-forest uses. (Attachment 1-FLP Fact Sheet).

With a growing Idaho, many large tracts of forestland are threatened by subdivision and development. Forest Legacy helps prevent sprawl into the Wildland Urban Interface or WUI, while ensuring a steady, reliable sawlog and fiber supply for industry and future mill infrastructure investments.

All properties participating in the Forest Legacy Program have a Forest Stewardship Plan, keeping the forests healthy and managed, which helps mitigate wildfire risk.

The Forest Legacy projects are not funded through Idaho's General Fund. Funding stems from congressional authorizations and offshore oil drilling royalties. Idaho competes for the money in the form of grants that are passed through the US Forest Service. Participating landowners contribute a 25% match, typically via tax-deductible donations.

The Baldy tract is part of the Moyie River Corridor FLP Project (Attachment 2- Map). There are six properties in this project; Baldy would be the second to close, with the remainder of the project expected to close within the next couple months. Manulife Investment Management Timberland and Agriculture Inc (MIMTA), on behalf of its client landowner Hancock Timberland X, wishes to convey the development rights of this property by way of a conservation easement to the Department to conserve this forestland in perpetuity, thereby protecting the economic and environmental values while keeping the property in private ownership. The 25% non-federal match for this acquisition will consist of donated easement value. The table below summarizes the costs.

Landowner	Appraised CE Value	Landowner Donation	FLP Contribution
Hancock Timberland X	\$3,528,000	\$882,000	\$2,646,000

The Baldy acquisition is consistent with the goals and objectives of Idaho's FLP and will protect the following significant conservation values:

- Timber:** Idaho's Forest Action Plan identifies the area where the project lands are located as one of the highest priority areas for forestland protection in the state. According to Boundary County's Comprehensive Plan, the harvest of timber and other products from forestland in Boundary County is essential to the local economy.
- Wildlife Habitat:** Project lands contain some of the most valuable wildlife habitat in Idaho, supporting an abundant assortment of game and non-game species including federally-listed threatened species such as Canada lynx.
- Public Recreation:** The conservation easement terms ensure that these lands will remain accessible to the general public for non-commercial, non-motorized recreational uses including hunting, trapping, fishing, biking, hiking, cross-country skiing and wildlife viewing.
- Landscape Scale Conservation Impact:** The Moyie River Corridor project is located in a high priority area. There are over 20 properties participating in the FLP within 10 miles of this property.

The project has garnered broad public support by various public and private entities (Attachment 3-Public Support). These forestlands have substantial and significant conservation and economic values that are of great importance to the people of Idaho. The protection of these values will yield a significant public benefit.

Recommendation

Authorize the Idaho Department of Lands to accept the Baldy tract into the Forest Legacy Program by way of conservation easement.

Board Action

Attachments

1. FLP Fact Sheet
2. Map
3. Public Support



FOREST LEGACY PROGRAM (FLP)

Helping private landowners keep their working forests working.

FLP, a voluntary initiative, enables landowners to safeguard their forestland for perpetual timber production, offering financial incentives similar to selling for development. Owners retain their land, pay property taxes, and manage timber harvesting.

What land qualifies for the Forest Legacy Program?

Eligible properties must be privately owned, over 5 acres, 75% forested, and within Idaho's priority landscape areas, as per the Idaho Forest Action Plan. Funding is awarded through a competitive, nationwide process.

Are Forest Legacy projects funded by Idaho's General Fund?

No. Funding stems from congressional authorizations and offshore oil drilling royalties. Participating landowners contribute a 25% match, typically via tax-deductible donations.

Will there be more working forestlands enrolled in Forest Legacy in the future?

Yes. Idaho's industrial forestland owners are eager to expand private land enrollment in FLP. Idaho is ready to compete for a share of the \$700 million national fund allocated for FLP projects.

How would a property owner start the process?

Reach out to your local land trust, a non-profit specializing in land acquisition for public benefit, as all FLP applications need a land trust sponsor.

Why is Forest Legacy important?

FLP ensures a steady supply of industry sawlogs and fiber, mitigates wildfire risks, and prevents sprawl in the Wildland Urban Interface (WUI). It bolsters local economies by safeguarding rural jobs and enhancing recreational access, while preserving wildlife habitat, water quality, and scenic landscapes.

How does FLP safeguard the supply of fiber for industry?

FLP keeps working forests working, helping to ensure a reliable fiber supply for industry and future mill infrastructure investments. Together with endowment forestland, FLP helps sustain long-term fiber availability for mill operations, as well as sustaining jobs within our communities.

How does Forest Legacy work?

Under FLP, forestland owners sell their development rights but retain ownership, management, and profits from their land, while reducing development in the WUI. Idaho holds these rights in trust and counties still receive tax revenues from these lands.

What does FLP do to help sustain wildlife habitat?

Priority areas in FLP often overlap with crucial habitats for threatened species. Maintaining forested land supports wildlife habitats and creates corridors for movement, aiding in the recovery of species like the Bull Trout. Fewer residential structures in these areas also minimize wildlife-human conflicts.

What does FLP have to do with mitigating fire risk?

FLP requires a Forest Stewardship Plan and sustainable management per Idaho's Forest Practices Act, which reduces vulnerability to catastrophic fires. By limiting WUI expansion, it helps ensure fire protection can be provided with fewer resources.

How does FLP improve recreational access?

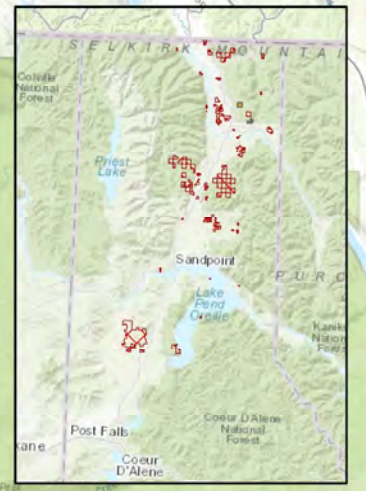
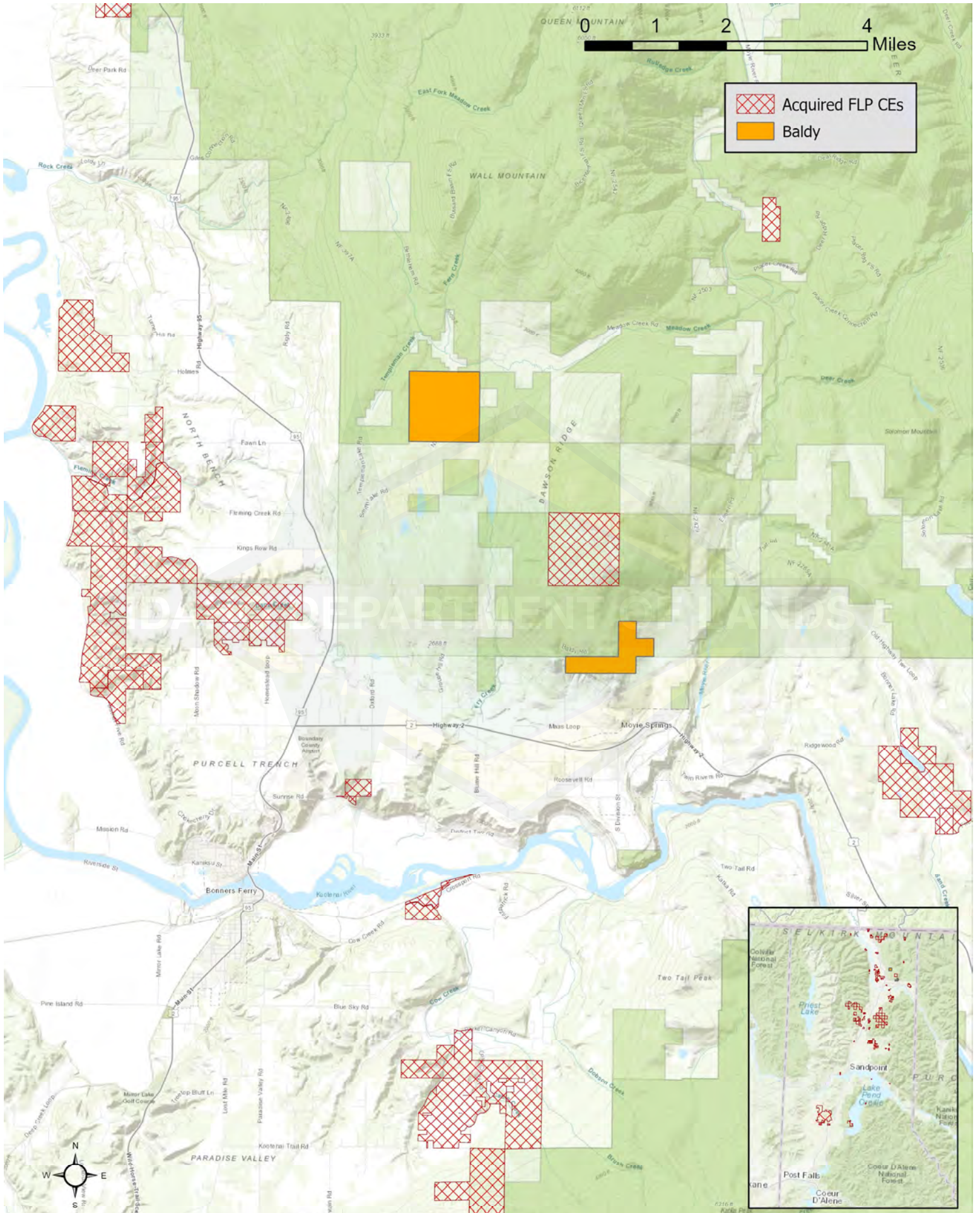
Since 2003, FLP has made 93,339 of its 103,252 timberland acres (90%) available for public recreation. As Idaho grows and demand for recreation access increases, FLP incentivizes private landowners to offer public access in line with their forest management goals.



For more info scan the code or visit

<https://www.idl.idaho.gov/about-forestry/forest-legacy-program/>





Public Support of the FY 2020-21 Moyie River Corridor Project in Boundary County

The following local, state and federal governmental agencies and local, state and regional conservation organizations provided written letters in support of the purchase of the development rights, by way of conservation easement, on the Moyie River Corridor project properties:

- City of Bonners Ferry
- City of Moyie
- Former Idaho State Senator, Jim Woodward
- Former Idaho State Senator, Shawn Keough
- Foust Logging, Inc.
- Idaho Department of Fish and Game
- Idaho Forest Owner Association
- Idaho Forest Group
- Inland Forest Management
- Stimson Lumber Co.
- Trans-border Grizzly Bear Project
- US Fish and Wildlife Service
- US Forest Service – Idaho Panhandle National Forest
- Vital Ground Foundation
- Yellowstone to Yukon Conservation Initiative

The Boundary County Commissioners have received intermittent updates on the project through the process, with the most recent update given on February 12, 2024 by Kennon McClintock with The Nature Conservancy, and Jennifer Barker, the Forest Legacy Program Manager with IDL. Present were Commissioners Wally Cossairt and Tim Bertling, who expressed support for the project. Commissioner Ben Robertson was absent due to illness, however the materials were left for his review.

Commissioners' Meeting Agenda - Week of February 12, 2024

Date:

Wednesday, February 7, 2024 - 17:00 to Friday, February 16, 2024 - 17:00

All times are tentative unless identified as a specific appointment or public hearing & the Board will address items on the agenda as they are completed, which may either shorten or lengthen the times for which items are addressed on the agenda. Claims Review & Approval, Indigent Matters and Junior College Tuition Forms will be discussed & approved and Resolutions will be adopted as time allows. Commissioners' meetings are held in their chambers, Room 28, in the Boundary County Courthouse, unless otherwise stated. For Commissioners' meetings that are held at the County Annex Conference Room, that address is 6566 Main Street, Bonners Ferry, Idaho.

Monday, February 12, 2024

9:00 a.m.: Kennon McClintock with The Nature Conservancy – Update on the Dawson Ridge conservation easement.

9:30 a.m. to 10:00 a.m.: County Civil Attorney – Update on various matters. Motion to sign Certificates of Residency. Motion to sign Commissioner meeting minutes. Cancel/extend various taxes. Motion to sign New Private Road Name Request Forms. Discussion/motion regarding ARPA, ARPA projects and possible motion to adopt ARPA resolutions. Motion to adopt resolution regarding disposition of records of the Treasurer's Office. Claims approval. ACTION ITEMS.

10:00 a.m.: Boundary County Ambulance Service District Governing Board meeting.

10:30 a.m.: Kootenai Tribe of Idaho Administrative Director/Kootenai Valley Resource Initiative (KVRI) Facilitator Theresa Wheat and Bonners Ferry District Forest Ranger (USFS) Kevin Knauth – Update on KVRI and USFS matters.

1:30 p.m. to 2:30 p.m.: Road and Bridge Department report. Discussion/possible motion regarding Idaho Transportation Department Local Road Mileage Report. Discussion/motion regarding piggyback quote for Durapatch oil and any associated documents. Motion regarding letter of commitment/resolution for the Federal Bridge Investment Program Application for Naples area planning and any other required application signatures. Motion to sign Idaho Transportation Department Cooperative Agreement for Traffic Signal, US 2- 95 & Tobe Way, Permit #01-23-005-A. ACTION ITEMS.

<https://boundarycounty.us/site-page/board-commissioners>

STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

Consent Agenda

Subject

Commercial Recreation Lease Live Auction – December 22, 2023

Question Presented

Shall the Land Board direct the Department to award a commercial recreation lease to the high bidder at the live auction?

Background

During the open application period for expiring commercial recreation lease M100010, the Idaho Department of Lands (Department) received three applications for the new lease, M100018, a lakefront location on Priest Lake (Attachment 1, Site Maps). Pursuant to Idaho Code § 58-310 and Department procedure, when two or more eligible applicants apply to lease the same state endowment trust land, the Department shall hold a live auction. Department staff conducted the live auction and determined the high bidder for this lease in accordance with existing statutes, rules, and procedures.

Discussion

For the purposes of securing a single lessee for lease M100018, a live auction was held in the Priest Lake Supervisory Area Office on December 22, 2023. The successful premium bid for this auction was \$4,000. Personal Property was valued at \$972,500 by the Department's appraiser and established the value of the Personal Property to be paid by the subsequent lessee. This lease was offered for a 5-year term. Attachment 2 summarizes the results of the live auction.

Auction participants were notified of the time period (20 days from the date of the auction) within which an appeal to the State Board of Land Commissioners (Land Board) was available to each participant. The 20-day appeal period has expired, and no appeals to the Land Board were received by the Department.

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

Recommendation

Direct the Department to award commercial recreation lease M100018 to the high bidder, Rocky Point Marina Corporation.

Board Action

Attachments

1. Site Maps
2. Summary of Auction Results



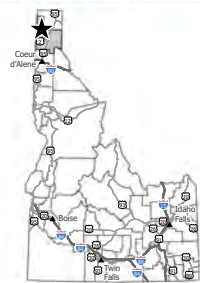


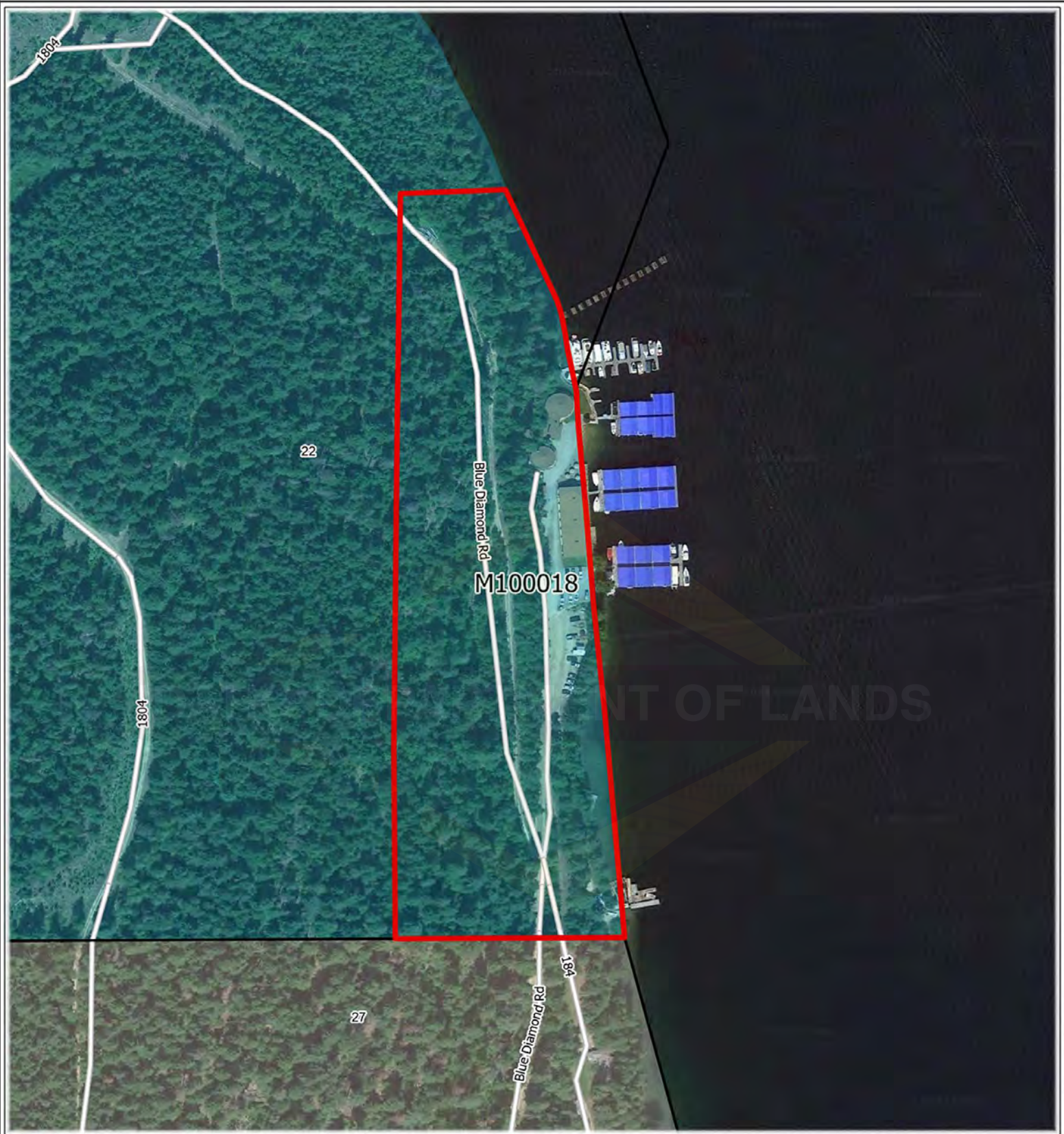
- Proposed Lease
- County
- Secondary
- Spur
- Spur-No Show
- USFS
- State
- Private

M100018
 Sec. 22
 T60N - R04W
 Bonner County, Idaho
 8/23/2023



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





- Subject Lease
- Township
- Section
- State
- Private
- Existing Roads

M100018
 T 60N & R 04W Sec 22
 Bonner County, Idaho

1/2/2024



Map Notes

Projection: Idaho Transverse Mercator, NAD 83
 Map Notes and Data Sources

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

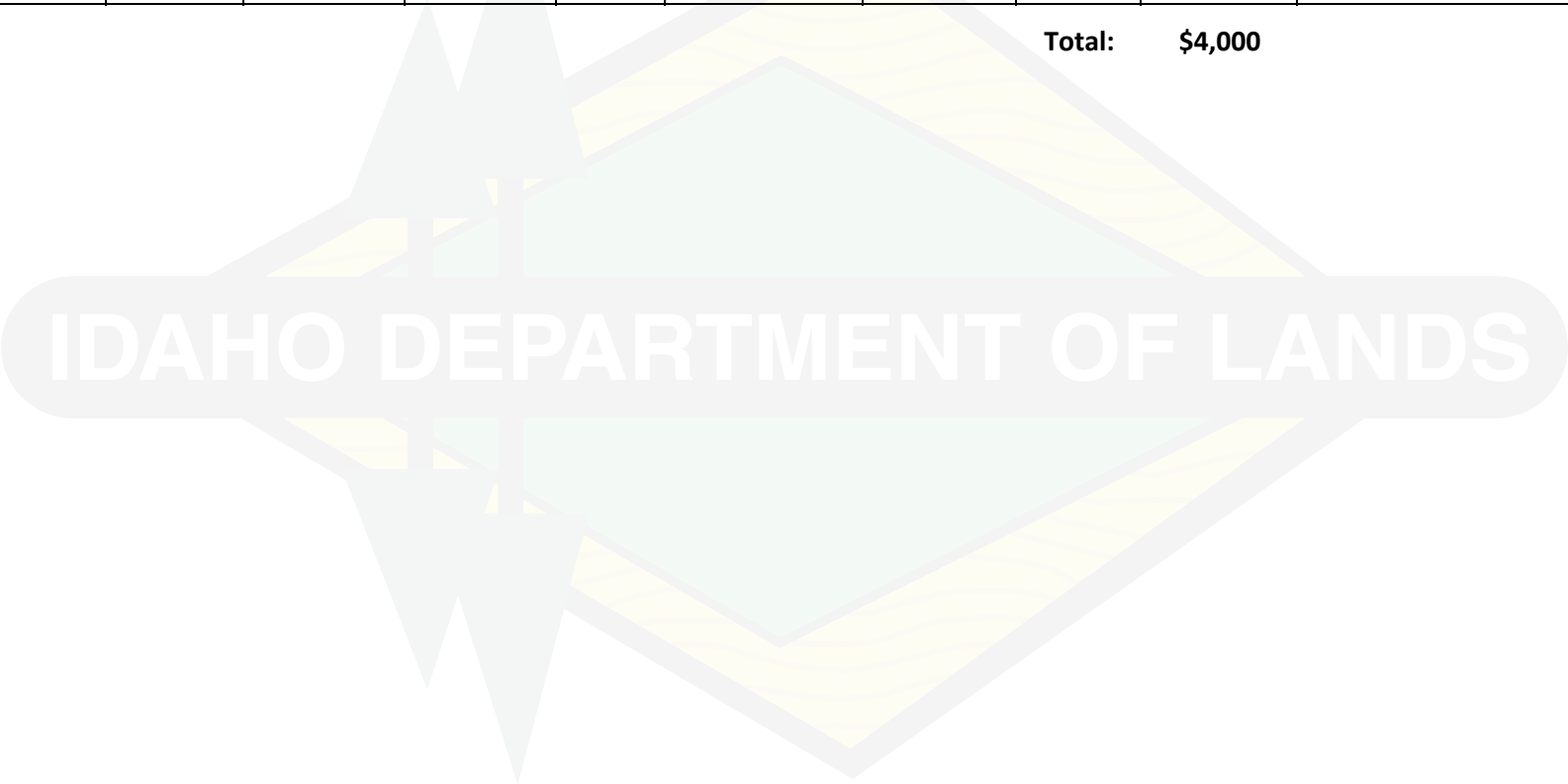
Vicinity Map



Summary of December 22, 2023 Commercial Recreation Lease Live Auction

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Improvement Value	# of Participants	# of Bids	High Bid Amount	High Bidder
Priest Lake	M100018	PS	5	9.88	\$972,500	2	2	\$4,000	Rocky Point Marina Corporation

Total: \$4,000





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.

Draft Minutes

State Board of Land Commissioners Regular Meeting

January 16, 2024

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, January 16, 2024 at the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise, Idaho, and via webinar. The meeting began at 9:00 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

All members were present. Governor Little, Secretary of State McGrane, Controller Woolf, and Superintendent Critchfield attended at the physical location. Attorney General Labrador attended via Zoom webinar.

[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 – December 2023

B. Leases and Permits – December 2023

Discussion: None.

Status Updates

C. Land Bank Aging Report

Discussion: Controller Woolf asked if there is a timeframe for the University of Idaho spending its \$17 million for the CAFE project. Deputy Director Bill Haagenson replied that the Department is

currently processing invoices for approximately \$3.5 million, with more expected as construction proceeds.

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

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

Discussion: Mr. Anton stated that global financial markets ended calendar year 2023 on a positive note, delivering the second consecutive month of extraordinary gains. Inflation continued to ease, labor markets remained healthy, and the Federal Reserve suggested it would lower the Federal Reserve funds rate before the end of the year. Mr. Anton reported the fund was up 4.5% for the month, up 4.9% fiscal year-to-date. Optimism about positive growth into the new year gave investors confidence that the market would remain strong, and there was a rally that included stocks other than the "magnificent 7" large caps. Mid and small caps did well during the month. Mr. Anton described one of the challenges over the last year is that the market has been dominated by the performance of these "magnificent 7" (Apple, Microsoft, Google, Amazon, Nvidia, Facebook and Tesla). On average they were up 111%. The other 493 stocks in the S&P 500 were up 7.6%, most of which came in the last two months of the year. The endowment portfolio has a bias of overweight in mid and small cap relative to benchmark; when the large caps outperform by that magnitude, the fund is going to underperform. A broadening of performance of the market has started and that has helped the portfolio, but those seven large cap stocks have dominated the market; Apple and Microsoft make up over 50% of the tech market. They are dominant because they control their markets, they are extremely profitable, and they are leaders in artificial intelligence, making huge investments in artificial intelligence. Investors became very confident that AI would change the world, change the economy, these companies would continue to outperform and that drove their performance during the year. Governor Little asked if the benchmark that the fund is measured against is overweighted in those seven stocks? Mr. Anton said yes. Governor Little inquired if that is the benchmark, should the fund beat that bogey. Mr. Anton replied that is correct, and the portfolio's investment managers have generally outperformed, however the fund has a bias built in with a large allocation to mid and small cap companies. That bias shrank somewhat when Sands was eliminated as a manager; the Investment Board took that opportunity to weight a little more heavily in large caps, but the Investment Board made an intentional decision to overweight mid and small cap because over long periods of time, 20, 30, 40 years, smaller companies tend to grow faster. In periods when those stocks underperform, the fund will underperform the benchmark, even if managers are doing well. Governor Little asked if the 350 basis points increase year-to-date is the tail end of Sands. Mr. Anton answered that it really is that large cap bias. The large-cap growth portion of the endowment portfolio was Sands, then it transferred to William Blair, and that was up around 45% last year. If the allocation was all in large cap growth, the fund would have done great last year. Governor Little commented it is the 7% in mid and 4% in small cap that has brought it down, and that cannot be put into the bogey. Mr. Anton explained the Investment Board could decide to move more into the larger cap stocks, but it has not. The allocations in mid and small cap came down a bit, but the Investment Board elected to keep that bias because over the long term those top seven companies cannot continue these extraordinary returns.

Consent—Action Item(s)

3. Results of December 14, 2023 Mineral Lease Live Auction – Presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to award mineral lease E400010 to Stedham Holdings, LLC, the high bidder at the auction.

Discussion: None.

4. Approval of Draft Minutes – December 19, 2023 Regular Meeting (Boise)

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

Regular—Action Item(s)

5. Endowment Land Commercial Leasing Policy – Presented by Jim Elbin, Division Administrator-Trust Lands Management

Recommendation: Approve the Commercial Leasing Policy.

Discussion:

Controller Woolf: At what point is the Board involved if there is a unique situation of one of these leases.

Mr. Elbin: There are different levels of leasing: if we have a +20-year lease a public meeting is required with the county; we would bring that information before the Board. If it is a use that we are not familiar with or we are getting mixed reviews, we want to bring those to the Board as information items before we move forward. Our plan is to keep Board members and staff updated through informal communications.

Controller Woolf: On the bottom of page 1 of the policy, III.A., it lists that the Department will have discretion as to which lease opportunities are best suited for RFP versus traditional. What would the Department use to discern one way or another.

Mr. Elbin: We would look at anything that is new, or that there might be multiple uses that can compete, with different rental rates. If someone wants to compete for that lease at a higher rental rate than they proposed, they are allowed to come to the auction. We want to be communicative with counties because we have to follow county planning and zoning rules.

Governor Little: My question is that little caveat that we have to follow county planning and zoning. Does that mean Valley County could zone all our ground dry grazing into perpetuity and we could never develop any of that ground?

Mr. Elbin: There are some caveats in the statute about what is reasonable. The way we look at it in our policy, and the court decision from Blaine County, is that counties cannot get in the way of

our natural resource management, those things are exempt from county planning and zoning; it is specifically with commercial uses. Could they? In theory, yes.

Governor Little: Might want to read the constitution about the power of the Land Board.

Controller Woolf: At the top of page 1 of the policy, the last sentence of I.A. says multifamily residential developments. My understanding was this is just with the developer and not with each one of the lessees.

Mr. Elbin: Correct; we are not going to enter into a split estate situation again. It will be developer only with our option at the end to determine if we scrape or maintain the improvements and look for a new landlord, so to speak.

Governor Little: What would be a townhouse project that would not be politically sensitive? The language is a little contrary to previous Boards where we got out of all of that business. This opens the door for the Department of Lands and the State to get back into the residential business, and that line about where the Board ought to be involved is pretty close to everywhere.

Mr. Elbin: Our intention is to be upfront and communicate, with no surprises for anybody involved.

Superintendent Critchfield: Governor, based on the history that some of us do not share, it sounds like the questions pertain to something previous. Are you comfortable with what has been presented?

Governor Little: This Board and its predecessors went back and forth from buying all the office space around the Capitol to selling all the office space around the Capitol, to investing in a few entities and then selling them. As long as we buy low and sell high, it is good for the beneficiaries but occasionally we do not have that luxury. When we got out of the commercial space, it was because the Department has expertise in timber and in grazing, but competing in the real-world market versus people that trade and deal residential and commercial and industrial property is fraught with risk versus the private entrepreneur.

Controller Woolf: What comes to mind for me was what took place up in Hailey; for the three newer members, describe what took place in Hailey with the RFP and the process there.

Mr. Elbin: The process at Ohio Gulch, we put out an RFP, received various offers where they had to prove financials. An important part of that process is we have a hurdle rate, depending on what the property is. For simplicity we will say 4%. If we did not do the RFP, we would have offered a lease for "X" and said we are going to charge 4% of an appraised value. In the RFP, they are able to give us their final and best offer as part of their proposal; we can include that in the lease terms and then have the auction for the lease premium. Anybody who is okay with the lease terms as presented and is willing to pay that level of rent can show up and bid. Then we award it to the highest bidder.

Governor Little: One of the things that gives me pause is there will be instances of landlocked parcels where they write the RFP so they are the favored bidder in it; we need to be cognizant of that. My understanding is an entity, a city or county, cannot zone state land but after it moves from state land to private land then it is like any other piece of property. But a municipality's

ability to change, to restrict uses on endowment land, is limited by the fact that the constitution ultimately gives the Land Board a lot of flexibility in maximizing the return to the endowment. We ought to have our Attorney General's office look at it, and going forward, have the new members of the Board be in on that discussion.

Controller Woolf: Is there opportunity to let this item percolate one more month?

Director Miller: Jim briefed the Board last summer on the leasing continuum, trying to gauge comfort level where the Board might be on certain commercial type leasing activities. There has been a lot of interest in entities leasing our ground for commercial purposes. We are trying to be forthcoming and transparent with our constituents and with those interested parties, making sure we had policy and direction from the Board. It could wait, but we do have many entities knocking on the door asking us to work with them on certain leasing activities.

Governor Little: We could go forward with it and review it in six months and see what has happened in the interim.

Secretary of State McGrane: The leasing continuum is a needed discussion among us because we have new Land Board members. From my experience, the pressure continues to rise; either we are going to dispose of this land which I am not generally supportive of, or we are going to have to figure out how we handle some of these situations where it makes the most sense for the endowment for us to come up with reasonable terms and manage. You mentioned the politics of a townhouse set-up, but also zoning in some of these communities is a hot topic, the tax impacts and other things. As the value of land is rising, we have certain parcels that we are going to keep getting more and more pressure on.

Superintendent Critchfield: I like the suggestion of putting the policy into place and re-evaluating.

Governor Little: Let us get a finer point on that zoning issue.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Commercial Leasing Policy and that the Land Board reviews it in six months. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

For the record, the following four rulemaking items were approved in a single motion. See the Combined Board Action following item 9.

6. Negotiated Rulemaking for IDAPA 20.03.13, Administration of Cottage Site Leases on State Lands – Presented by Roger Hall, Bureau Chief-Real Estate

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.13, *Administration of Cottage Site Leases on State Lands*.

Discussion: None.

Board Action: Approved; see item 9.

7. Negotiated Rulemaking for IDAPA 20.03.14, Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases – Presented by Roger Hall, Bureau Chief-Real Estate

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.14 Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases.

Discussion: None.

Board Action: Approved; see item 9.

8. Negotiated Rulemaking for IDAPA 20.03.15, Rules Governing Geothermal Leasing on Idaho State Lands – Presented by Roger Hall, Bureau Chief-Real Estate

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.15 Rules Governing Geothermal Leasing on Idaho State Lands.

Discussion: None.

Board Action: Approved; see item 9.

9. Negotiated Rulemaking for IDAPA 20.03.16, Rules Governing Oil and Gas Leasing on Idaho State Lands – Presented by Roger Hall, Bureau Chief-Real Estate

Recommendation: Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.16 Rules Governing Oil and Gas Leasing on Idaho State Lands.

Discussion: None.

Board Action: Approved; see combined motion below.

Combined Board Action, items 6-9: A motion was made by Superintendent Critchfield that the Land Board authorize the Department to initiate rulemaking on the four stated areas in the agenda. Controller Woolf seconded the motion. Attorney General Labrador recommended that the motion be specific about the agenda items. A restated motion was made by Superintendent Critchfield that the Land Board authorize the Department to initiate negotiated rulemaking for the administration of cottage site leases, for rules governing grazing, farming, conservation, noncommercial recreation, communication sites, geothermal leasing, and rules governing oil and gas leasing. Controller Woolf seconded the restated motion. The motion carried on a vote of 5-0.

Information

10. Shared Stewardship Updates – Introduction by Craig Foss, State Forester; Presented by Ara Andrea, Idaho Shared Stewardship Coordinator, IDL; Brian Davis, South-Idaho Shared Stewardship Coordinator, Payette NF; Leanne Marten, Regional Forester, Northern Region; Mary Farnsworth, Regional Forester, Intermountain Region

Discussion:

Leanne Marten: Thank you, Governor and members of the Land Board. For the record, my name is Leanne Marten, and I am the Regional Forester for the Northern Region of the US Forest Service. The Northern Region, for a bit of background, covers around 25 million acres of national forests and grasslands in northern Idaho, the state of Montana, the state of North Dakota, parts of South Dakota and a little bit in the state of Washington. I really appreciate the opportunity to be here with all of you this morning and with our great partners from the State of Idaho. Governor Little and I may be the only two signatories left of the original shared stewardship agreement; we were the first one in the nation to sign that agreement back in 2018; we pioneered it. One of the things we worked hard for was that it would be sustainable over time, regardless of who sat in whatever chair. We have been successful there. It is all about the relationships and working through the opportunities, the challenges together and making a difference on the ground for the resources and for all Idahoans. Doing the right work in the right places at the right scale, and doing that to protect communities, to look at our critical infrastructure, to look at the municipal watersheds, and working across the jurisdictions is what it is all about. We are learning, we are evolving, we have had a lot of successes, we have been working through some challenges and we continue to work through that. One of the things that has been key has been investments in people like Brian and Jeff in those positions, investment in the foresters, and looking at the opportunities to take the resources and the people and work together, regardless of who the landowners are or who is out there on the ground. We have seen those successes during our wildfire season. Fire does not pay any attention to jurisdictions. Up on the Mercy Fire on the Panhandle National Forest, because of Shared Stewardship and the Good Neighbor Authority, we were able to suppress that fire safely with our fire personnel because of work that had been done on the ground and helped critical infrastructure. We have many examples of that across the state. Many thanks to you, Governor, members of the Land Board, our partners there at the State, for all the work that we do, members of the counties, tribes, and others that we are working with. We cannot do it alone, and we know we are all doing it for the sake of the entire state of Idaho. I am going to pass it over to my colleague Mary Farnsworth, who has the southern part of Idaho, and then we will be open to questions.

Mary Farnsworth: Good morning, Governor and members of the Land Board, I am Mary Farnsworth. I am the Regional Forester for the Intermountain Region of the Forest Service, out of Ogden, Utah. Intermountain Region is the southern part of Idaho, all of Nevada, a little sliver in California, Utah, and a sliver of Wyoming, a pretty vast geographic area. I have big ties to Idaho. Prior to going to Ogden, I spent seven years on the Idaho Panhandle National Forest as the Forest Supervisor, very familiar with the northern part of Idaho. I was District Ranger in the town of Council, Idaho for about seven years as well; a small town on the Payette National Forest. Thank you for having me today. I am happy to talk about Shared Stewardship because it is a long-standing partnership and through this partnership, as Ara described, we are able to treat not just National Forest system lands, but state and private lands as well, and connect those treatments. As Leanne mentioned, fire knows no boundaries, and we need to do these larger landscape treatments regardless of who owns the landscape. I would like to call out a couple of people because without the folks that are dealing with the program, we would have a completely different story going on today. The first is Craig Foss, the State Forester; Craig thank you for your efforts, much appreciated. Ara has done an incredible job of keeping us focused working across boundaries, outstanding work in the forward-looking progress that we need to make. I would like

to mention Jon Songster, too, the Good Neighbor Authority coordinator; he keeps us going in the right direction and we are able to do more and more work on the ground. Kudos to those folks with Idaho Department of Lands, as well as coordinators, Jeff Lau and Brian Davis, for keeping us going; without these folks we would be in a different place. As Ara mentioned, the goal in the original agreement, signed by Leanne and Nora Rasure, the previous Regional Forester, was to work to double the annual acres treated on National Forests and also do this work cross-boundary. The average acres treated per year prior to the Shared Stewardship agreement was 68,000 acres. That is the average acre per year over 2014-2018. Between 2019 and 2023, post-agreement, we are treating about 105,000 acres per year. That is a significant increase. Some of it is mechanical treatment, some of it is prescribed fire and there is a variety of other treatments that also add to this acreage total. The bottom line is there was a 54% increase since the signature of the Shared Stewardship agreement, so we are moving towards double the acres in a very big way. We anticipate continuing our progress because more partners are coming to the table. The infrastructure act and the inflation reduction act are funding more work on the ground, and we are ready to do the implementation. Idaho has been uniquely situated to do this work because of the partnerships with Idaho Department of Lands. Thank you.

Superintendent Critchfield: Have you developed a new goal since you have accomplished what you were out to within this first timeline, double the acres, or is it just keep going from there.

Ms. Marten: We have not established a set numerical goal; we just want to keep moving on with that trend. If we continue with what we are doing, we are going to be successful to treat the acres that need to be treated in Idaho. To try and set a numerical goal gets harder because we are doing very well, and we are trying to make it where regardless of a goal we are doing the right work together and it is a sustained relationship in work on the ground.

Director Miller: I want to say thank you to both Mary and Leanne for their leadership on this initiative. It has been a long five or six years getting projects done on the ground, the coordination work, the funding has been significant coming to the state and both regions to get this work done. I want to echo my gratitude to our staff at the Department of Lands for the work they have been doing on this. As Leanne indicated, we want to continue that trend, so on the GNA side of things, we do have three FTEs that we are asking for in the budget this legislative session. One would be a second program manager up in the bureau, and two foresters, one would be focused in the northern part of the state, and one more focused over in eastern Idaho, Salmon-Challis National Forest as well as the Caribou-Targhee National Forest where we want to have more of a presence with this program. Appreciate the support there.

Controller Woolf: I want to say thank you for the partnership and relationship; I know it goes a long way. It is easy to say that, but you really see the action of your staff and your teams from IDL and the Forest Service and all the other partners. Are there pinch points or areas where we can do more to help push this even further along, whether it is the GNA, Shared Stewardship. You can always say more money, and you are waiting for DC to send you more resources, but what are the key things that are important. We were on the Governor's trail ride and the biggest discussion was recreation, new people moving into Idaho, and the education of knowing what the impact recreation has on these lands and in the forests, and that WUI impact.

Ms. Andrea: Governor, members of the Land Board, Controller Woolf, what could help us the most is the ongoing support when we do bring forward budget enhancement requests to either

gain personnel or more funds to acquire contracted services. We need people with some knowledge and expertise to help us grow into other areas. The pool of operators at times can be challenging and we appreciate all of the efforts that all of you have supported, especially Superintendent Critchfield, in getting more interest for the logging professions and the forest management professions. We appreciate that work and with the University of Idaho. It is that kind of ongoing thinking, how can we increase the manpower, the expertise, the ability to keep the relationships growing. These rural counties that we are going into like Boise County, how do we convince them that we have sustainable funding, they can hire folks, the local operators can invest in new equipment, in whatever they need to get these treatments going, and they can count on that to continue beyond infrastructure funding.

Secretary of State McGrane: Thank you for your work and for the coordination on the presentation today. You touched on it, but in terms of setting goals, you mentioned infrastructure funding quite a few times. The work you are doing is very important to fire mitigation for the state, but I do not want to see the federal deficit continue to rise. Long term how do we continue this effort without huge dumps of resources from the federal government.

Ms. Andrea: Some of the things that we are trying to do are what you heard Brian talk about. We have initiated Good Neighbor Authority agreements with the counties. This will allow not just bill money to come flowing down as it is right now, it will allow ongoing appropriated funds that come to the national forests, and monies will continue to come even after the infrastructure funding goes down. It will allow those appropriated funds, through agreements with the national forests, to continue flowing to the counties; we have just opened the spigot knowing that there will be a base line of funding still there. We are using a lot of this money to make sure that our contracted forestry consultants are working with these rural counties, and we are going right in there with them. We are making sure they have their community wildfire protection plans, they know how to write a competitive grant for those Forest Service, State, and private forestry fire mitigation funds that we have had for decades, and we will continue to have. They can write a very competitive grant fund and continue getting monies that will not include infrastructure funding. We help them write contracts, make sure they can solicit operators effectively, do more outreach, reach the non-industrial landowners that we are trying to sell this program to. We are doing a lot of equipping of the local counties, the local collaborative groups to get the work done past infrastructure funding.

Governor Little: Thank you very much, and thanks for your partnership.

11. Forest Legacy Program – Presented by Craig Foss, Division Administrator-Forestry and Fire

Discussion: Governor Little asked for clarification of which acres are funded and which acres are acquired. Mr. Foss replied that a funded project is one that the Department has applied for funding and the money has been awarded. Governor Little stated in simple terms that funded acres are in the queue and applications are those that want to be in the queue, and there are 103,000 acres that have been acquired. Mr. Foss said that is correct.

Executive Session

None

Director Miller shared with the Land Board members that Scott Phillips is leaving the Department and will soon be moving with his wife to Arkansas. Mr. Phillips has been the Department's Policy and Communications Chief since May 2020. Director Miller extended appreciation to Mr. Phillips for his leadership and his service to the Department and the people of Idaho and remarked that he will be missed. Governor Little thanked Mr. Phillips as well. Controller Woolf added his gratitude to Mr. Phillips for his service to the state of Idaho and, foremost, for his friendship.

There being no further business before the Land Board, at 10:14 a.m. a motion to adjourn was made by Controller Woolf. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.



STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

Regular Agenda

Subject

Swamp Witch Timber Sale with clearcut harvest units exceeding 100 acres

Questions Presented

Shall the Land Board approve the Swamp Witch Timber Sale with clearcut harvest units exceeding 100 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 harvest units exceeding 100 acres are one type of sale to be submitted for approval.

Discussion

The Ponderosa Supervisory Area has submitted a timber sale in the FY2024 plan that has clearcut harvest units exceeding 100 acres in size. The sale area is within other Department and industrial private ownership that has been previously managed (Attachment 1). The sale area is located 7.5 miles southeast of Elk River, Idaho (Attachment 2).

The proposed clearcut harvest in this sale totals 138 acres and is described in detail in Attachment 3. It is characterized by highly defective and overmature grand fir. A high rate of mortality is currently occurring in most of the stand and needs immediate treatment to capture the highest value. The preferred species are a minor component of the stand and are not expected to produce enough cones and seed for natural regeneration. The site will be planted with a mix of seral species, which will be more resilient to the current insect and disease problems. Stands in the vicinity, managed by the Department, have been successfully planted to adequate stocking to maximize return to the beneficiaries.

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

Recommendation

Approve the Swamp Witch Timber Sale.

Board Action

Attachments

1. Ortho Map
2. Vicinity Map
3. Clearcut Justification
4. Timber Bureau Approval



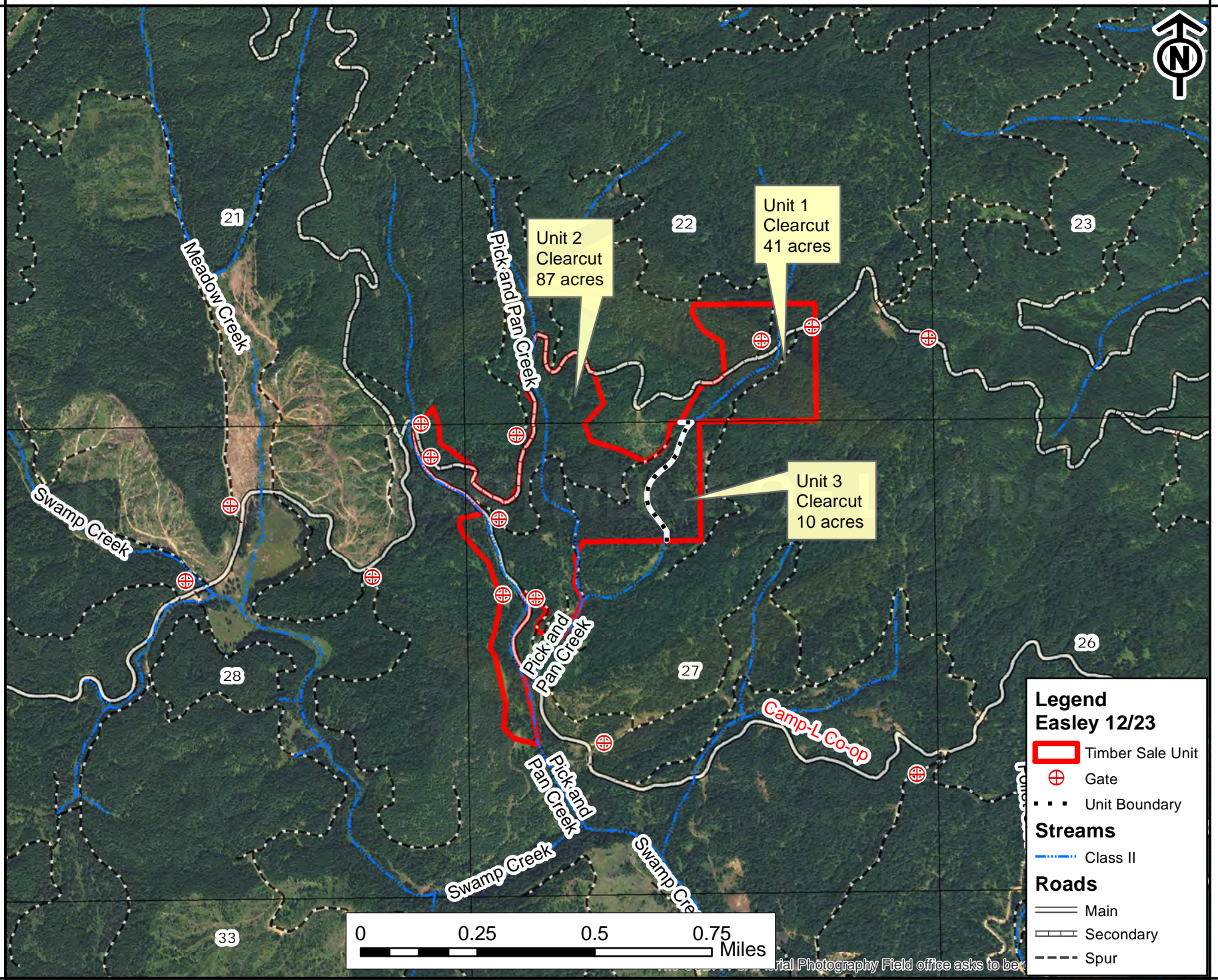
R 03 E



CR410151
Swamp Witch

N 63 J
Sale Map

T 39 N



Unit 2
Clearcut
87 acres

Unit 1
Clearcut
41 acres

Unit 3
Clearcut
10 acres

**Legend
Easley 12/23**

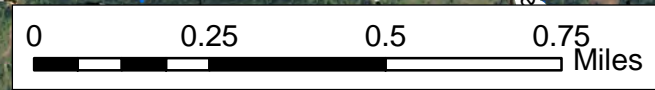
- Timber Sale Unit
- ⊕ Gate
- Unit Boundary

Streams

- ⋯ Class II

Roads

- Main
- Secondary
- Spur



R 03 E

ATTACHMENT 1

Exhibit C
Page 1 of 1

erial Photography Field office asks to be

R 02 W R 01 W R 01 E R 02 E R 03 E R 04 E

N 14 T

N 40 T

N 39 T

N 38 T

N 37 T

T 41 N

T 40 N

T 39 N

T 38 N

T 37 N



Vicinity Map

Legend
Easley 12/23

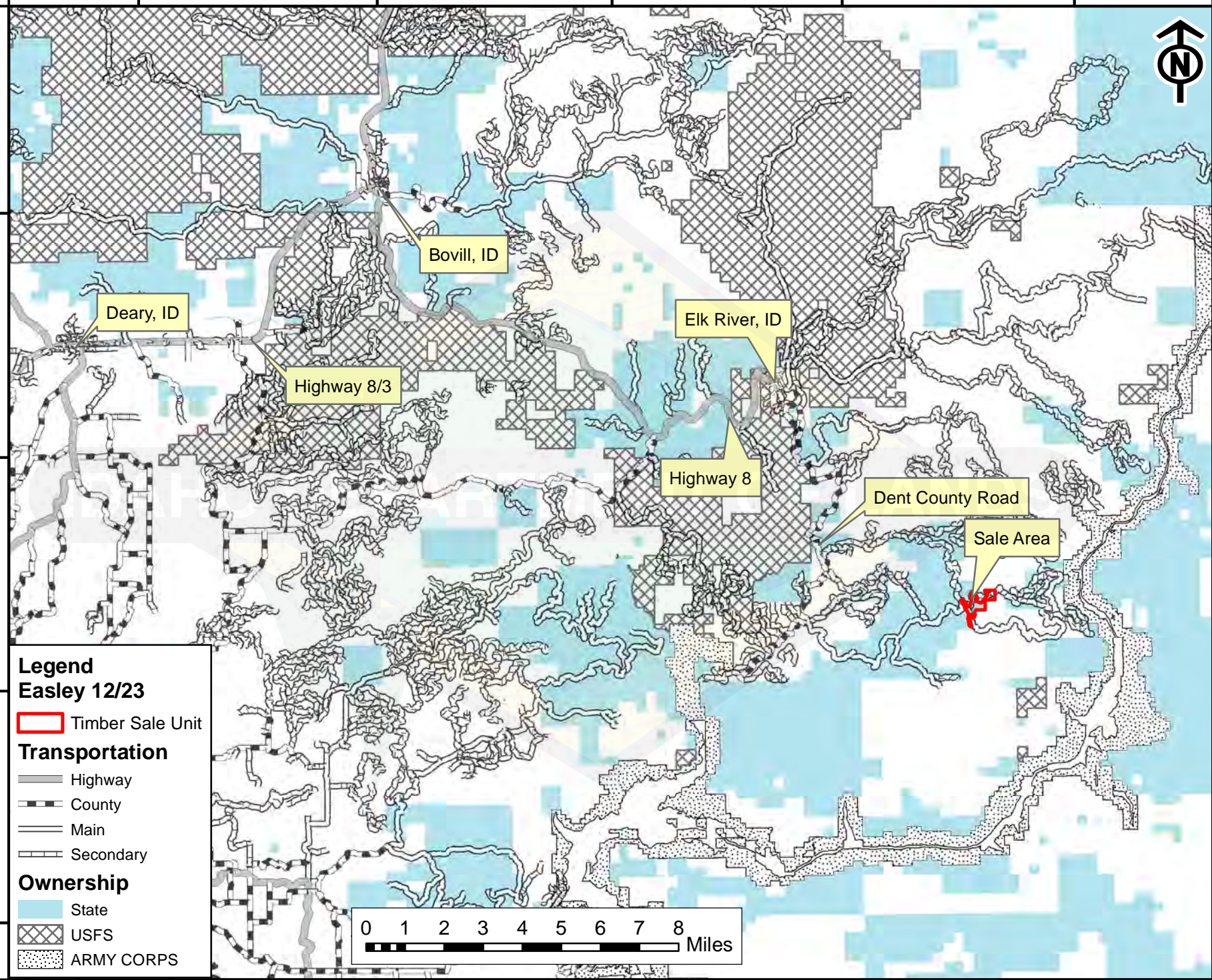
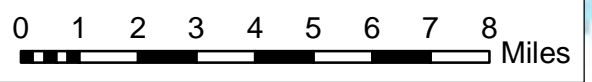
- Timber Sale Unit

Transportation

- Highway
- County
- Main
- Secondary

Ownership

- State
- USFS
- ARMY CORPS



Swamp Witch Clearcut Justification

1. Treatment Description:

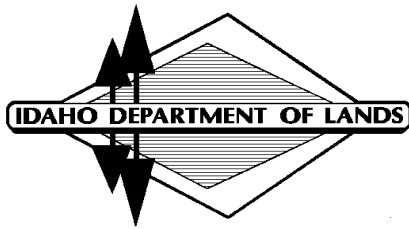
(a) All three stands are comprised predominantly of overmature grand fir (78% of the standing volume). Western redcedar, Douglas-fir, western larch, and white pine comprise minor components of the stands. These stands will be clearcut and planted following harvest.

(b) Clearcut Justification:

Clearcuts in this sale will help the Ponderosa Area achieve the desired future conditions outlined in the Ponderosa Area's Forest Asset Management Plan. The clearcuts in units 1 (41 acres), 2 (87 acres) and 3 (10 acres) are silviculturally and economically justified and were planned to comply with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stands and re-establish seral species on the site. This prescription will be used for following reasons:

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

(c) Forest Improvement Activity: Units 1, 2 and 3 will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow up pesticide treatments. The sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



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

MEMORANDUM

TO: Derrick Reeves, Lands Resource Supervisor

FROM: Kyle Seigley, Section Manager – FM Project & Inventory

DATE: November 15, 2023

SUBJECT: Swamp Witch (CR410151) Timber Sale

On November 6, 2023, David Greenwood, Kyle Seigley and Jeremy Shawver, held a field site visit for the Swamp Witch Timber Sale on the Ponderosa Supervisory area. This occurred prior to harvesting to discuss the proposed harvest units due to the silviculture prescriptions creating a contiguous clearcut exceeding 100 acres. Attendance also included Derrick Reeves, Alisa Schotzko and Robbie Easley from the Ponderosa Supervisory area.

The Swamp Witch Timber Sale resides in sections 21, 22, 27 and 28 of T39N R03E. Public school endowment owns approximately 71% of the acres while school of science endowment owns the other 29% of the sale area.

The group started discussing the proposed clearcuts of 41 acres unit 1 and 87 acres unit 2. The area representatives discussed the species composition of the units with grand fir comprising 62 percent and 88 percent of the volume respectively (Image 1). The desired future conditions of the stand require a species transition to white pine and western larch. There are 18-72 trees per acre of Douglas-fir present in these units. Douglas-fir is typically a desirable crop tree, however not in root rot areas. Therefore, a species conversion to western larch and white pine is more desirable due to reduced susceptibility. A minor component of lodgepole pine and or Engelmann spruce will be planted in draws and cold air drainages.

The preferred method of clearcutting, site preparation, and planting best suits the stand. There is a scattering of root disease, and the grand fir is over 80 years old which increases the risk of fir engraver (*Scolytus ventralis*) insect damage to the residual stand thus lowering the odds of the seed tree to be successful. Economically, the clearcut will provide more returns to the endowments by capturing the value of the stand now and planting due to the foreseen issues of desired natural regeneration.

The group hiked to look at unit 3, a 10-acre overstory removal (OSR) sandwiched between units 1 and 2. Unit 3 resides on a 40 acre parcel acquired from the US Forest Service in the 1980's. Prior to state-IDL acquisition the stand was partial harvested, with the intent of the harvest being unknown. As a result of the entry a second cohort of grand fir established in the understory (Image 2). Due to a lack of sufficient sunlight the regeneration has become stagnated and suppressed with height growth rates less than 5 inches a year. To maximize site potential, the existing unmerchantable saplings should be slashed and a new vigorous stand of artificial regeneration established. Due to the existing regeneration being suppressed and undesirable, and a harvest prescription that will not leave any seed trees to establish desirable regeneration, it's the Timber Bureau's recommendation that the stand be considered a clearcut based off intent.

The Timber Management Bureau recommends that the FIC proceed with the 138 acres to be clearcut. The lack of quality leave trees and reducing vigor in the stand justify the clearcut prescription. The Bureau supports this activity considering maximizing revenue to the public school and school of science endowments.

The logo for the Idaho Department of Lands is centered on the page. It features a stylized mountain range in the background, with a central diamond shape containing a sunburst. Overlaid on this is a horizontal banner with the text "IDAHO DEPARTMENT OF LANDS" in white, uppercase letters.

IDAHO DEPARTMENT OF LANDS



IDS

Image 1. Stand composition of unit 1, note the high percentage of grand fir.



IDS

Image 2. Suppressed sapling regeneration in unit 3.

STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

Regular Agenda

Subject

Negotiated rulemaking for IDAPA 20.03.02 *Rules Governing Mined Land Reclamation*

Question Presented

Shall the Land Board authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.02 *Rules Governing Mined Land Reclamation*?

Background

The Idaho Department of Lands (Department) administers these rules under the authority of the Idaho Mined Land Reclamation Act (Title 47, Chapter 15, Idaho Code). These rules establish the notification requirements for exploration and the application, operation, and reclamation requirements for mined lands. In addition, they establish the application and closure requirements for cyanidation facilities. Lastly, these rules contain the financial assurance requirements for mining and cyanidation facilities.

Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter is scheduled for a comprehensive review in 2025 with the goal of simplifying the rules for increased clarity and ease of use. The Department anticipates a high level of public interest in this rulemaking and recommends starting negotiations in the spring of 2024 in order to finish negotiations by the summer of 2025.

Discussion

The Department anticipates diminishing the overall regulatory burden by reducing both total word count and the number of restrictive words in the new rule chapter. The Department will review the rule with stakeholders to ensure that it is right-sized.

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

Recommendation

Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.02 *Rules Governing Mined Land Reclamation in Idaho*.

Board Action

Attachments

1. Draft rulemaking timeline



Draft Rulemaking Timeline

IDAPA 20.03.02

Rules Governing Mined Land Reclamation

February 20, 2024	Approval from Land Board to start negotiated rulemaking (regular agenda)
February 23, 2024	Last day to submit <i>Administrative Rules Request Form</i> to the Division of Financial Management (DFM) for Bulletin publication in April
March 2024	Post information on Idaho Department of Lands website about this rulemaking
April 3, 2024	<i>Notice of Intent to Promulgate Rules</i> publishes in the Idaho Administrative Bulletin; negotiated rulemaking and public comment period begins
April through June, 2024	Negotiated rulemaking public meetings in Boise, McCall, Challis, Pocatello, and Coeur d'Alene
July through September, 2024	Complete research
October and November, 2024	Negotiated rulemaking public meetings
April through May 30, 2025	Negotiated rulemaking public meetings
June 13, 2025	End of public comment period for negotiated rulemaking
July 15, 2025	Present update on this rulemaking to the Land Board (information agenda)
July 18, 2025	Last day to submit proposed rule to DFM for Bulletin publication in September
August 1, 2025	Last day to submit <i>Notice of Proposed Rule</i> to the Office of the Administrative Rules Coordinator (OARC) for Bulletin publication in September
September 3, 2025	Proposed rule publishes in the Idaho Administrative Bulletin and 21-day written public comment period begins
September 17, 2025	Deadline to request a public hearing on proposed rule
September 24, 2025	End of written public comment period on proposed rule
October 21, 2025	Request approval from Land Board to adopt pending fee rule (regular agenda)
November 7, 2025	Last day to submit <i>Notice of Pending Fee Rule</i> to OARC for publication in December 2025
	Pending fee rule to be reviewed during the 2026 legislative session

Note: All dates are subject to change.

STATE BOARD OF LAND COMMISSIONERS

February 20, 2024

Regular Agenda

Subject

Negotiated rulemaking for IDAPA 20.03.04 *Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho*

Question Presented

Shall the Land Board authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.04 *Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho*?

Background

The Idaho Department of Lands (Department) manages encroachments on navigable lakes in Idaho pursuant to Title 58, Chapters 1 and 13, Idaho Code, and IDAPA 20.03.04. This rule protects the state's navigable lakes by setting standards for encroachments. By regulating encroachments, this rule protects property, navigation, fish and wildlife habitat, aquatic life, recreation, aesthetic beauty, and water quality.

Encroachments include docks, marinas, piers, buoys, pilings, breakwaters, boat ramps, and other facilities used to support water craft, as well as landfills, bridges, utility lines, float homes, boat garages, and other structures constructed on, in, or above the beds or waters of a navigable lake.

Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter is scheduled for a comprehensive review in 2025 with the goal of simplifying the rules for increased clarity and ease of use. The Department anticipates a high level of public interest in this rulemaking and recommends starting negotiations in the spring of 2024 in order to finish negotiations by the summer of 2025.

Discussion

The Department anticipates reducing the overall regulatory burden by reducing both total word count and the number of restrictive words in the new rule chapter. The Department will review the rule with stakeholders to ensure that it is right-sized.

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

Recommendation

Authorize the Department to initiate negotiated rulemaking for IDAPA 20.03.04 *Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho*.

Board Action

Attachments

1. Draft rulemaking timeline





Draft Rulemaking Timeline

IDAPA 20.03.04

Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in Idaho

February 20, 2024	Approval from Land Board to start negotiated rulemaking (regular agenda)
February 23, 2024	Last day to submit <i>Administrative Rules Request Form</i> to the Division of Financial Management (DFM) for Bulletin publication in April
March 2024	Post information on Idaho Department of Lands website about this rulemaking
April 3, 2024	<i>Notice of Intent to Promulgate Rules</i> publishes in the Idaho Administrative Bulletin; negotiated rulemaking and public comment period begins
May 2024	Negotiated rulemaking public meeting in Coeur d'Alene and via Zoom
May 2024	Negotiated rulemaking public meeting in Sandpoint and via Zoom
June 2024	Negotiated rulemaking public meeting in McCall and via Zoom
June 2024	Negotiated rulemaking public meeting in Pocatello and via Zoom
June 2024	Negotiated rulemaking public meeting in Jerome and via Zoom
Fall 2024	More rulemaking public meetings as needed
April – June 1 2025	More rulemaking public meetings as needed
June 13, 2025	End of public comment period for negotiated rulemaking
July 15, 2025	Present update on this rulemaking to the Land Board (information agenda)
July 18, 2025	Last day to submit proposed rule to DFM for Bulletin publication in September
August 1, 2025	Last day to submit <i>Notice of Proposed Rule</i> to the Office of the Administrative Rules Coordinator (OARC) for Bulletin publication in September
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September 17, 2025	Deadline to request a public hearing on proposed rule
September 24, 2025	End of written public comment period on proposed rule
October 21, 2025	Request approval from Land Board to adopt pending fee rule (regular agenda)
November 7, 2025	Last day to submit <i>Notice of Pending Fee Rule</i> to OARC for publication in December 2025
Winter 2026	Pending fee rule to be reviewed during the 2026 legislative session

Note: All dates are subject to change.

Land Board Meeting
February 20, 2024

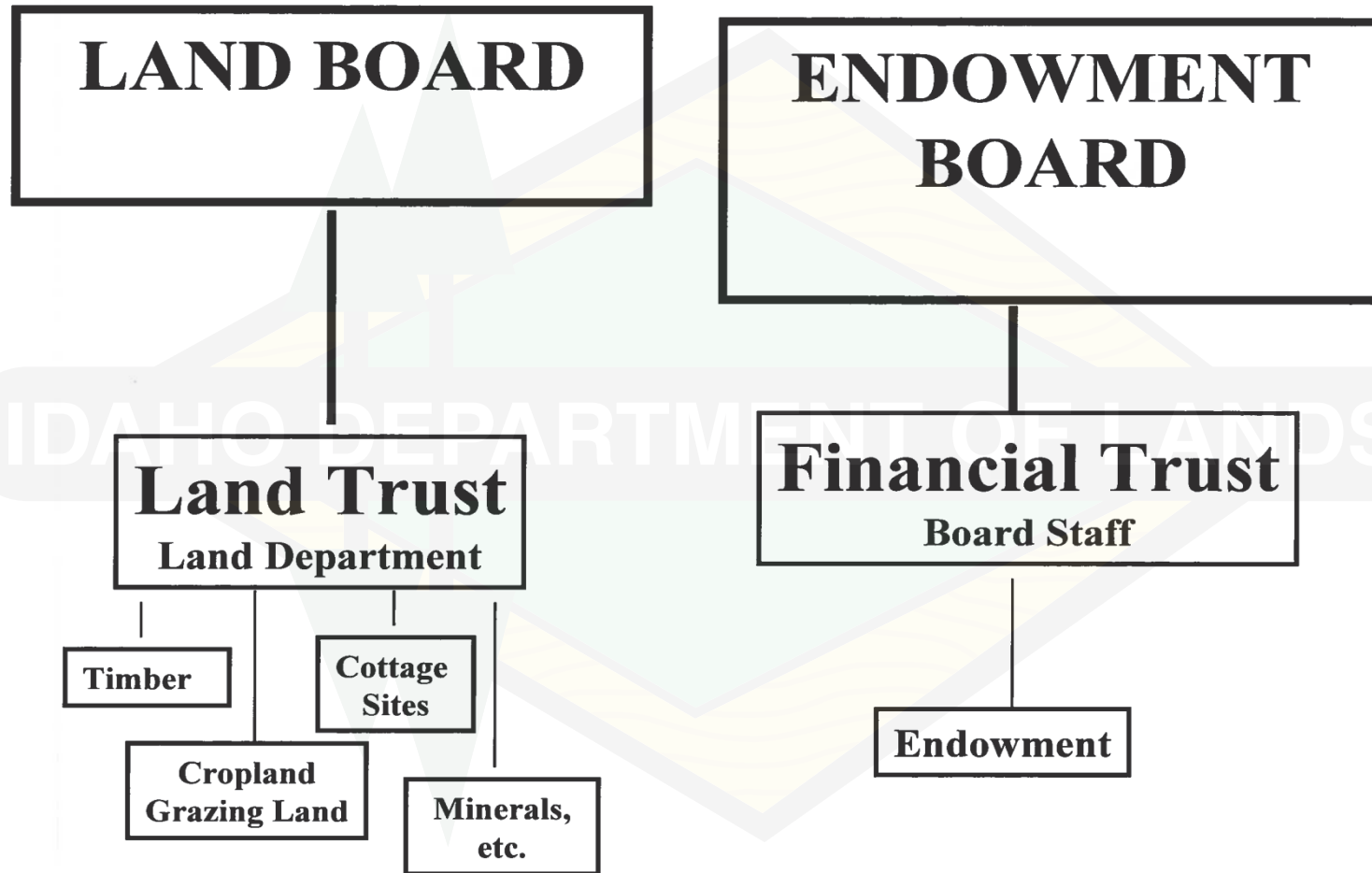
IDAHO DEPARTMENT OF LANDS

History of Endowment Reform

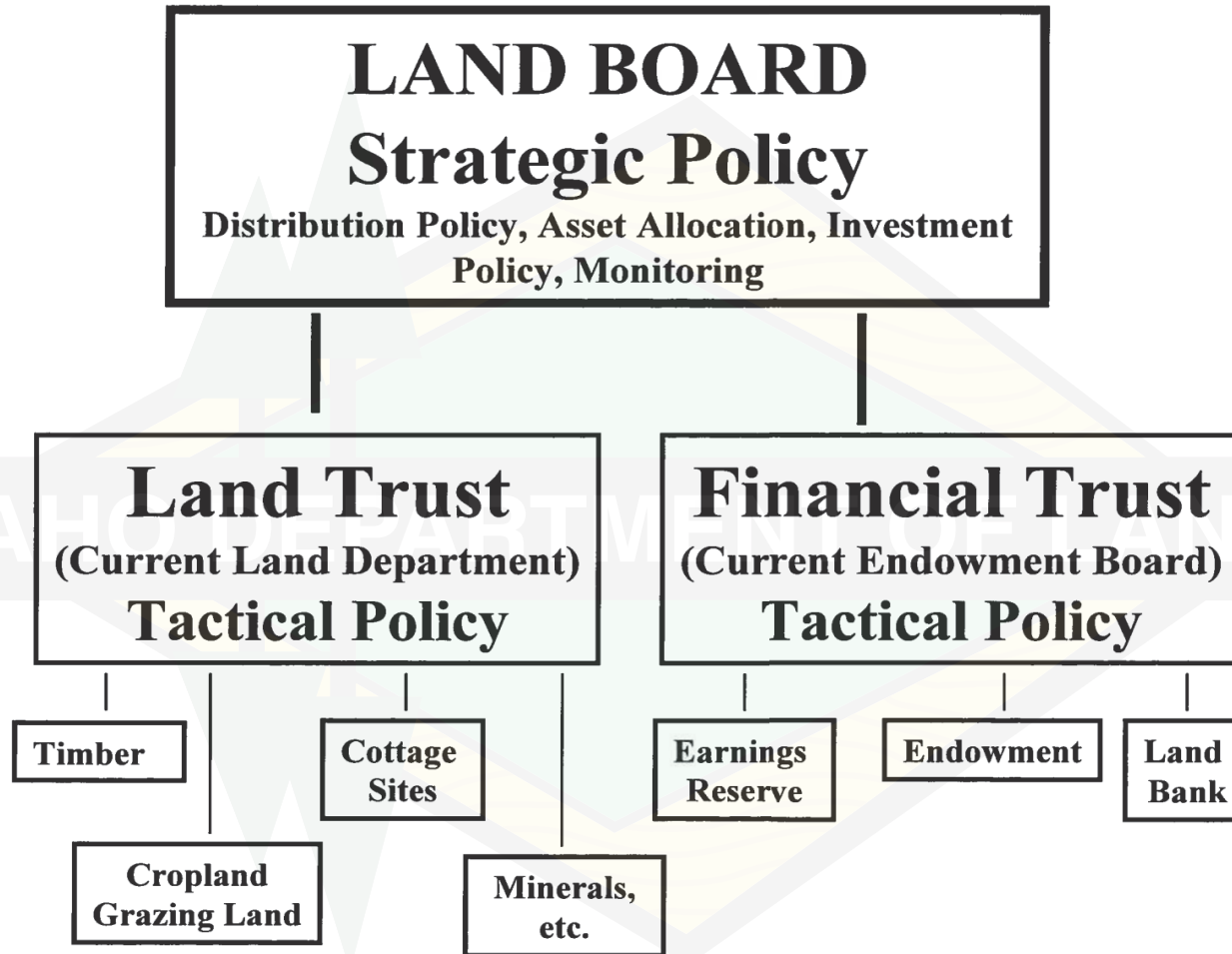
Robert Maynard

Chris Anton

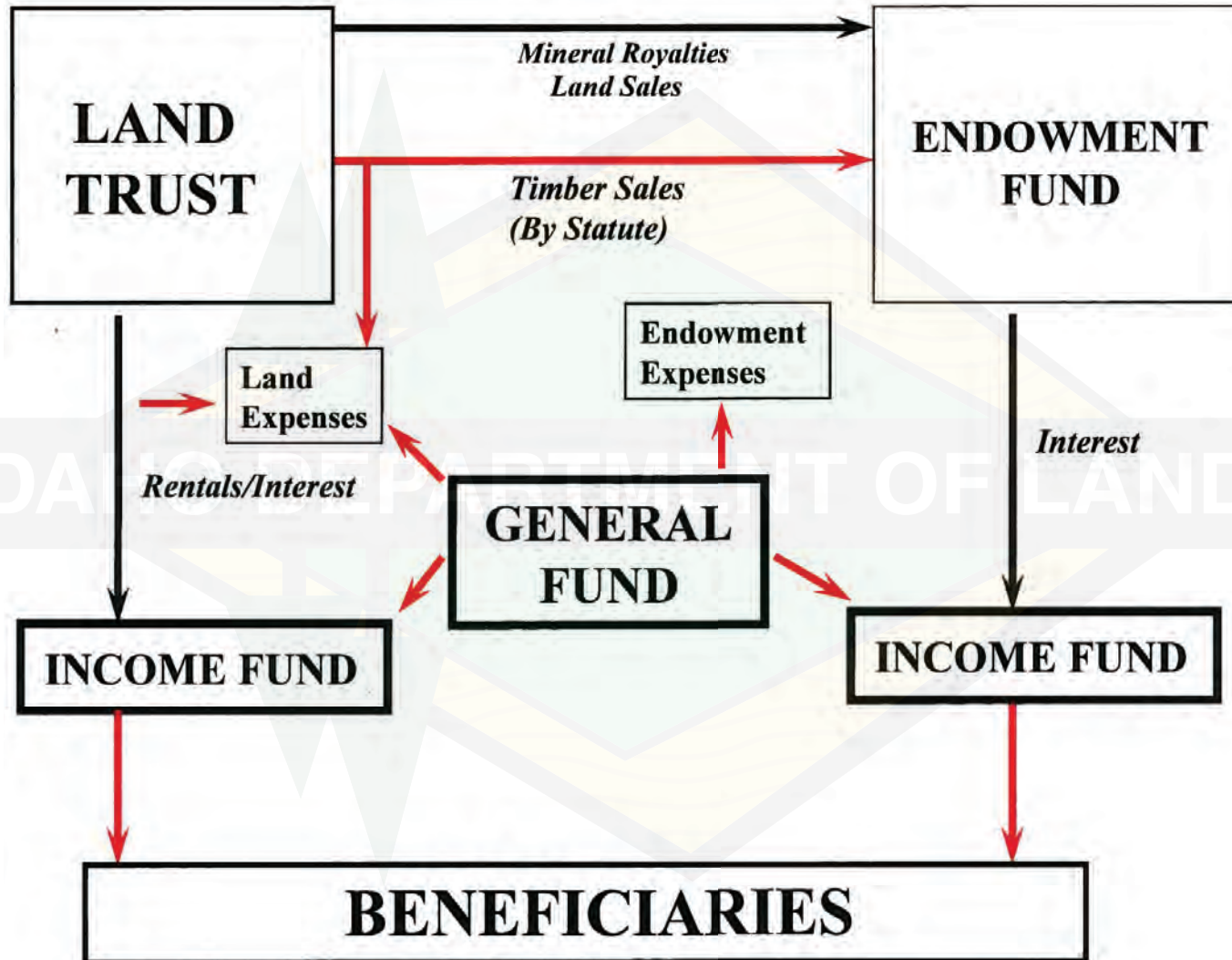
Original Governance Structure



Current Governance Structure

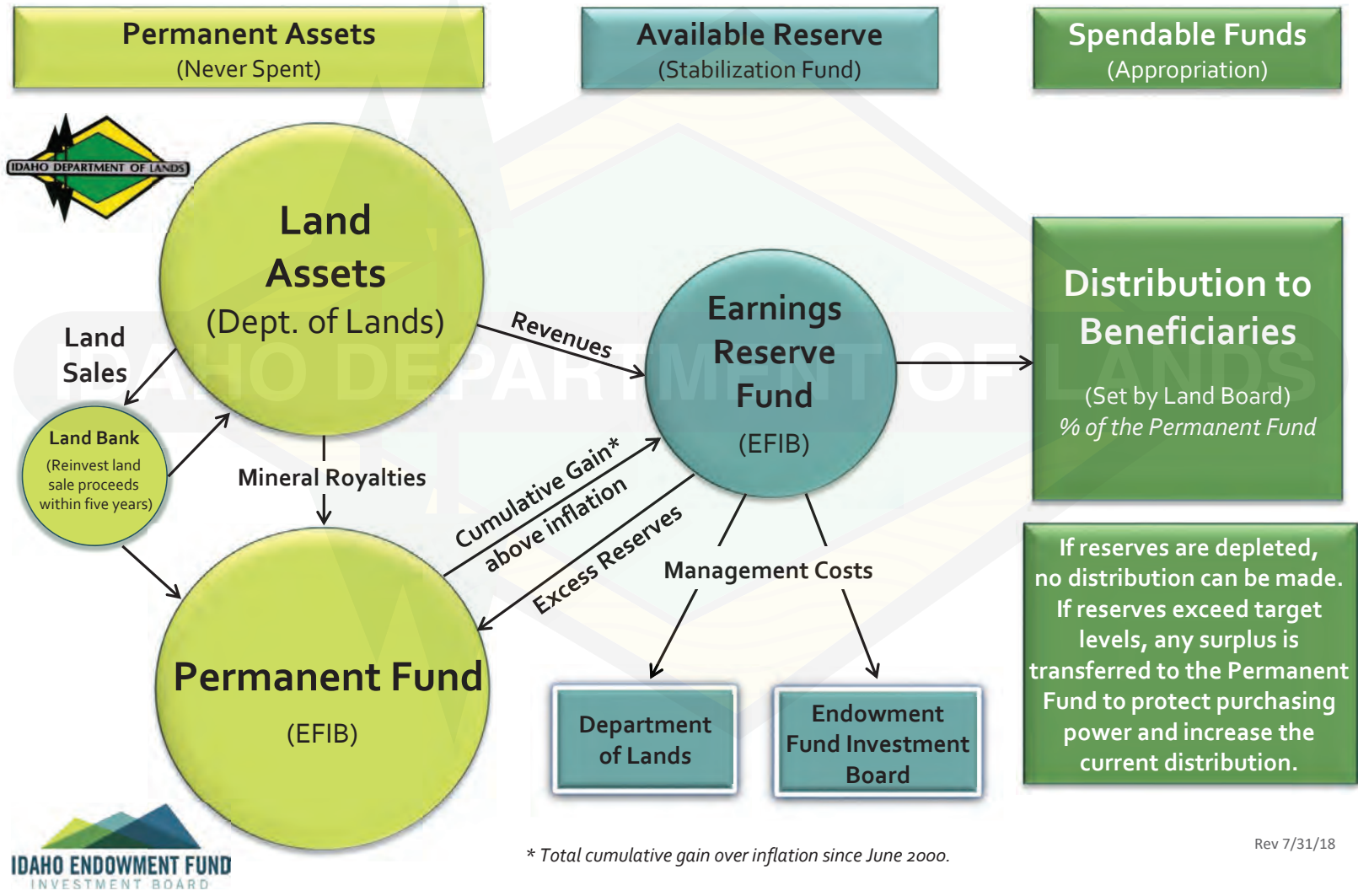


Original Flow of Funds



Current Flow of Funds

STRUCTURE OF IDAHO'S ENDOWMENT ASSETS



* Total cumulative gain over inflation since June 2000.

Rev 7/31/18