

Chairman Louie Conanelos
Director Kevin Carter

**Board of Trustees
School & Institutional Trust Lands Administration
Salt Lake City, Utah**

October 22, 2015

Minutes

Attending:

Board

Louie Conanelos
Jim Lekas
Tom Bachtell
Lonnie Bullard
Scott Ruppe
Roger Barrus
Mike Mower

Staff

Kevin Carter
Kim Christy
LaVonne Garrison
Tom Faddies
John Andrews
Rodger Mitchell
Ron Carlson
Lisa Schneider
Deena Loyola
Jeff Roe
Stephanie Barber-Renteria
John Blake
David Ure
Nannette Johnson

Others in Attendance:

Tim Donaldson, Utah State Office of Education
Karen Rupp, Utah State Office of Education
Aaron Garrett, Utah State Office of Education
Natalie Gordon, Utah State Office of Education
Trudy Henderson, UEA-Retired
Lowell Braxton, Western Energy Alliance
Margaret Bird, Utah Universities
Lionel Trepanier, Utah Tar Sands Resistance
Raphael Cordray, Utah Tar Sands Resistance
Melanie Martin, Utah Tar Sands Resistance
Bob Brister, Salt Lake City Resident

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1. Welcome

Chairman Conanelos welcomed all in attendance. Mike Mower joined the meeting at 9:40.

2. Approval of Board Minutes for September 16, 2015

The Board reviewed and approved the minutes of September 16, 2015.

“I make the motion to approve minutes of September 16, 2015.”

Motion: Bachtell/Bullard Unanimous

Roll Call:

Louie Conanelos – yes James Lekas – yes Tom Bachtell – yes

Scott Ruppe – yes Lonnie Bullard – yes Roger Barrus – yes

3. Confirmation of Upcoming Meeting Dates

There were no changes to the November meeting date and no December meeting is planned, at this time.

4. County Advisory Committee and Public Comment Period

There were no representatives from the counties who requested time to address the Board.

Mr. Lionel Trepanier, Ms. Raphael Cordray, and Ms. Melanie Martin addressed the Board. The three representatives of Tar Sands Resistance requested that the Board reconsider approval of development projects with an environmental impact. Mr. Trepanier thanked the Board for the availability of bike trails on Trust Lands and asked for more detail on the Truck Route outside of Vernal. Director Carter clarified the change to reevaluate the route near Vernal. Ms. Cordray discussed uranium found in the ash and a report entitled “Reconnaissance for Uranium in Asphalt -- Bearing Rocks in the Western States.” Ms. Martin discussed bad air in Utah and the need to keep children in during recess and pregnant women are discouraged from going out of doors on bad air days. All three representatives of the Tar Sands Resistance asked the Board to reconsider oil development on School Trust Lands in Utah for the future benefit of Utah’s children. A Salt Lake City resident, Bob Brister, attended to ask for Board consideration of long-term impact on behalf of Utah’s children as a moral obligation.

Trudy Henderson is the representative for UEA-Retired. Ms. Hendersen thanked SITLA for participation in the UEA convention and for sponsoring a very popular booth. She recognized Deena Loyola’s management and organization of the booth. She also noted that everyone should hear the presentation made by Mr.Christy in a breakout session.

5. Consent Calendar

Consent

a. Eagle Bridge Oil & Gas OBA at Asphalt Ridge, Uintah Co.

Stephanie Barber-Renteria responded to questions from Mr. Lekas and the Board expressed no other concerns with the OBA. The consent items will proceed as presented.

Notification There were no notification items for this calendar.

Follow-up after Six Months There were no follow-up items from the April consent calendar.

6. Chair's Report

a. Beneficiary Report: Legal Literature on Trust Mandates and Monuments

Aaron Garrett indicated a better title for his report might be Antiquities Act Musings. He then outlined thoughts about the Antiquities Act; thoughts about the Bishop Land Exchange; and thoughts on moving forward. Mr. Garrett also pointed out that the Antiquities Act can be challenged but pointed out the President has virtually unlimited discretion. The full report is available on the [Public Notice Website](#).

Chairman Connelos reported that Governor Herbert announced the Board's decision to hire Dave Ure as the Director Designee at a press conference on October 21. Mr. Ure thanked the Board and said he would like to address the staff. He referred to staff as the backbone of the agency and noted they are what makes it work. He hopes to maintain staff relationships as Director Carter has done. Grateful for the confidence the Board has provided.

7. Director's Report

a. Director's Update

Director Carter reviewed the Vernal Truck Traffic Route changes and the concerns introduced for use of school lands with an expectation the land will continue to be available for non-income uses. The Board tasked the agency with creating a committee to look at similar locations of concern and developing a policy to address the issue. Director Carter took the Board's recommendation to draw from two committees to create a new committee to look statewide for issues with temporary land use that could later conflict with development for revenue. A new committee will include: Tom Bachtell, Jim Lekas, Scott Ruppe, a Beneficiary, and the Director.

Mr. Lekas also mentioned the County Commissioners requested a review for other routes to alleviate the highway traffic on Vernal City roads. Mr. Lekas further recommended monitoring for impact on SITLA in future routes.

The Government Affairs Committee met and came up with a proposal for three bills to be consolidated into one in a cleanup bill for the current code. A fourth proposed subject for legislative action will be a UTTR bill. Senator Dayton reviewed the bills and discussed them with a legislative analyst before agreeing to run the omnibus bills.

Senator Hatch's office hopes to run a UTTR bill in the next few weeks. However, consideration will be given to delaying the presentation with a hearing of the bill in spring of 2016.

The Director provided an update on his visit, along with Mr. Christy, to talk with legislators regarding the Rush Valley water filing.

Director Carter shared a list of agencies considered for privatization. The list surprisingly included SITLA. Director Carter and Board member Mike Mower will research the list and see if further monitoring or action is warranted.

b. MCW Energy Group Bituminous Sands Lease

Mr. Christy presented a situation with MCW Oil Sands Recovery in which the Company is in a trespass situation with SITLA. The company was functioning on a mineral lease while they were in trespass on surface. The issue was discussed in a closed session later in the meeting.

c. Procurement Rule Change

Ron Carlson reviewed a proposed procurement rule amendment. The agency is asking to adjust the threshold for professional services, which includes legal services, to \$50,000. Mr. Carlson and Mr. Bachtell noted places in the rule where the wording did not include the modification for legal services. The rule will be held for another meeting and Mr. Bachtell has offered to review the rule a final time before it is returned to the Board in November.

The Board went into closed session for the remainder of the meeting.

“I make the motion the Board go into closed session for the purpose of discussing strategy for purchases and potential for pending or imminent litigation.”

Motion: Lekas/Barrus Unanimous

Roll Call:

Louie Cononelos – yes James Lekas – yes Tom Bachtell – yes Mike Mower - - yes
Scott Ruppe – yes Lonnie Bullard – yes Roger Barrus – yes

Present in closed session were Board members Louie Cononelos, James Lekas, Tom Bachtell, Lonnie Bullard, Scott Ruppe, Roger Barrus and Mike Mower. Also present were Director Kevin Carter and Director Designee David Ure. Staff and Beneficiaries included Tim Donaldson, Ron Carlson, John Andrews, Kim Christy, LaVonne Garrison, Lisa Schneider, Tom Faddies, and Nannette Johnson. Two consultants, Jerry Olds and Jim Riley, joined the discussion for the Rush Valley Status Report.

Scott Ruppe left the meeting at 11:25 for other commitments.

d. Environmental Regulatory Issues

e. Rush Valley Status Report

f. Litigation Update

g. Exchange Update

The Board returned to open session at 1:40 p.m. and adjourned the meeting.

“I make the motion the Board return to open session.”

Motion: Lekas/Mower Unanimous

Roll Call:

Louie Cononelos – yes James Lekas – yes Tom Bachtell – yes Mike Mower - - yes
Scott Ruppe – yes Lonnie Bullard – yes Roger Barrus – yes

Adjourn