

November 2014

Meeting of the School and Institutional Trust Lands Administration

Board of Trustees

Director's Report

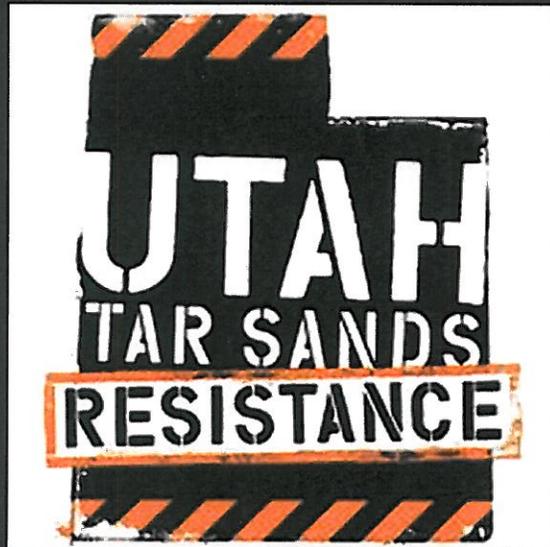
Hello Kevin,

You are invited to the following event:

SPAGHETTI NOT TAR SANDS!



Event to be held at the following time, date, and location:



Saturday, February 1, 2014 from
5:00 PM to 8:30 PM (PST)

Free Speech Zone.
411 South 800 East
Salt Lake City, UT 84102

[View Map](#)

Director's Report



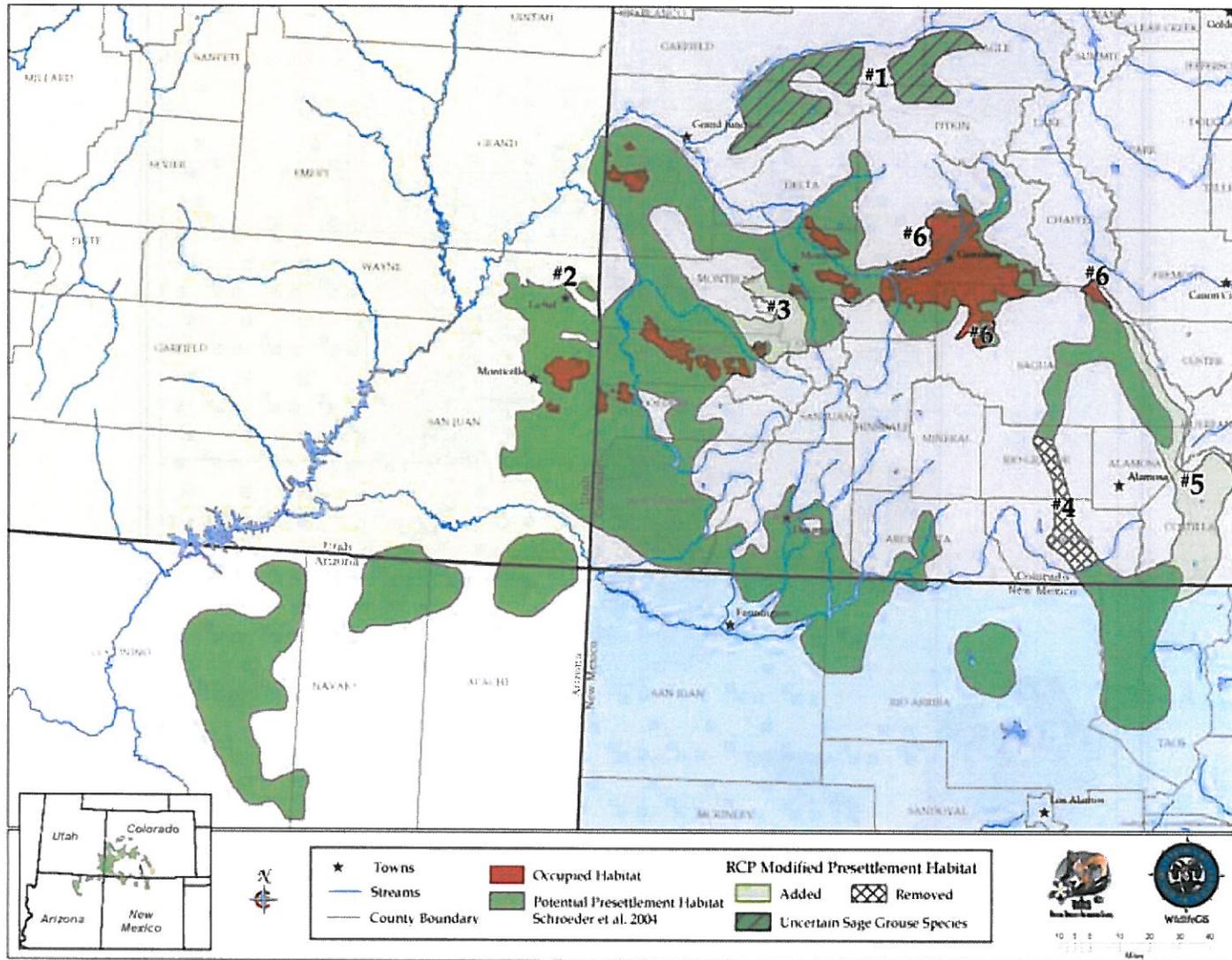
Director's Report



Administration Actions

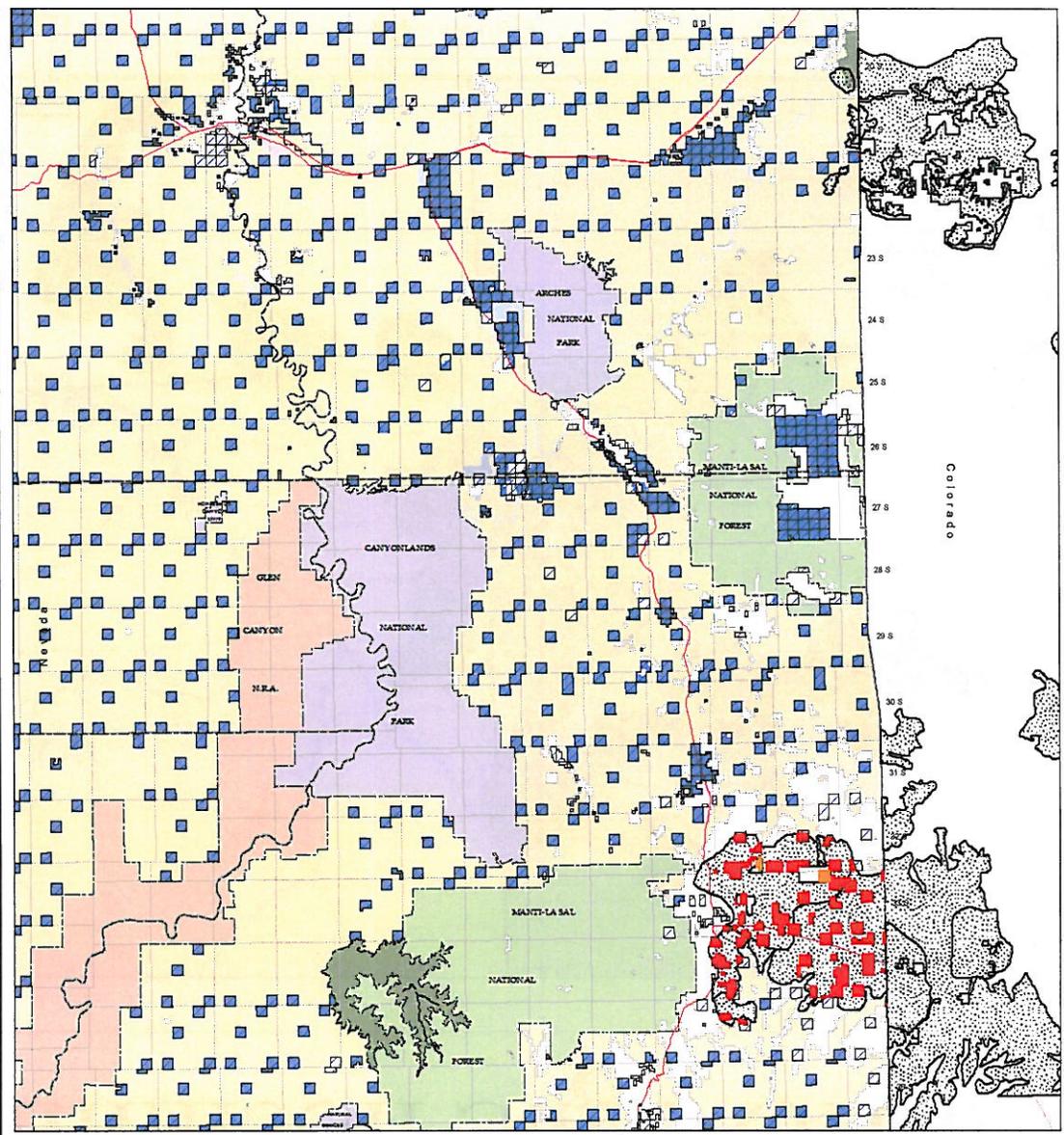
- ❖ Assigned AG-appointed law enforcement officer
- ❖ Issued two orders closing the area to public use
- ❖ Engaged with Uintah County to involve law enforcement
- ❖ Coordinated with other federal and state law enforcement
- ❖ Encouraged lessees to engage private security consultants

Gunnison Sage Grouse





Gunnison Sage Grouse Critical Habitat



Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of the information should review or contact the primary data and information sources to ascertain the usability of the information. SITLA provides the data in good faith and does not warrant liability for any inaccuracies, omissions, or any special, indirect or consequential damages to any party, arising out of or in connection with the use of the capability to use the data herein.

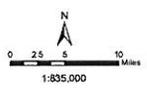
Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit". The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are identified by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM.

Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Anytime the most updated SITLA ownership GIS data may require processing, the GIS user directly 801-338-6100 or TLA-GIS@blm.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention.

USDA Critical Habitat is provided by USFWS <http://www.fws.gov/criticalhabitat/>

- USFWS Critical Habitat**
- Gunnison Sage Grouse
 - Trust Lands Within Critical Habitat
 - Mineral Only Estate: 24,419 ac
 - Surface and Mineral Estate: 922 ac
 - Trust Lands Mineral Ownership
 - Full Mineral
 - Partial Mineral
- Lead Ownership and Administration**
- Bureau of Land Management
 - Bureau of Reclamation
 - Bunkle/Stone Land Use Lands
 - National Recreation Area
 - National Parks
 - National Forest
 - National Wilderness Area
 - National Wildlife Refuge
- Other Federal**
- Military Reservations
 - Private
 - State Trust Lands
 - State Sovereign Land
 - State Parks and Reservoirs
 - State Wildlife Reserve
 - Other State
 - Tribal Lands

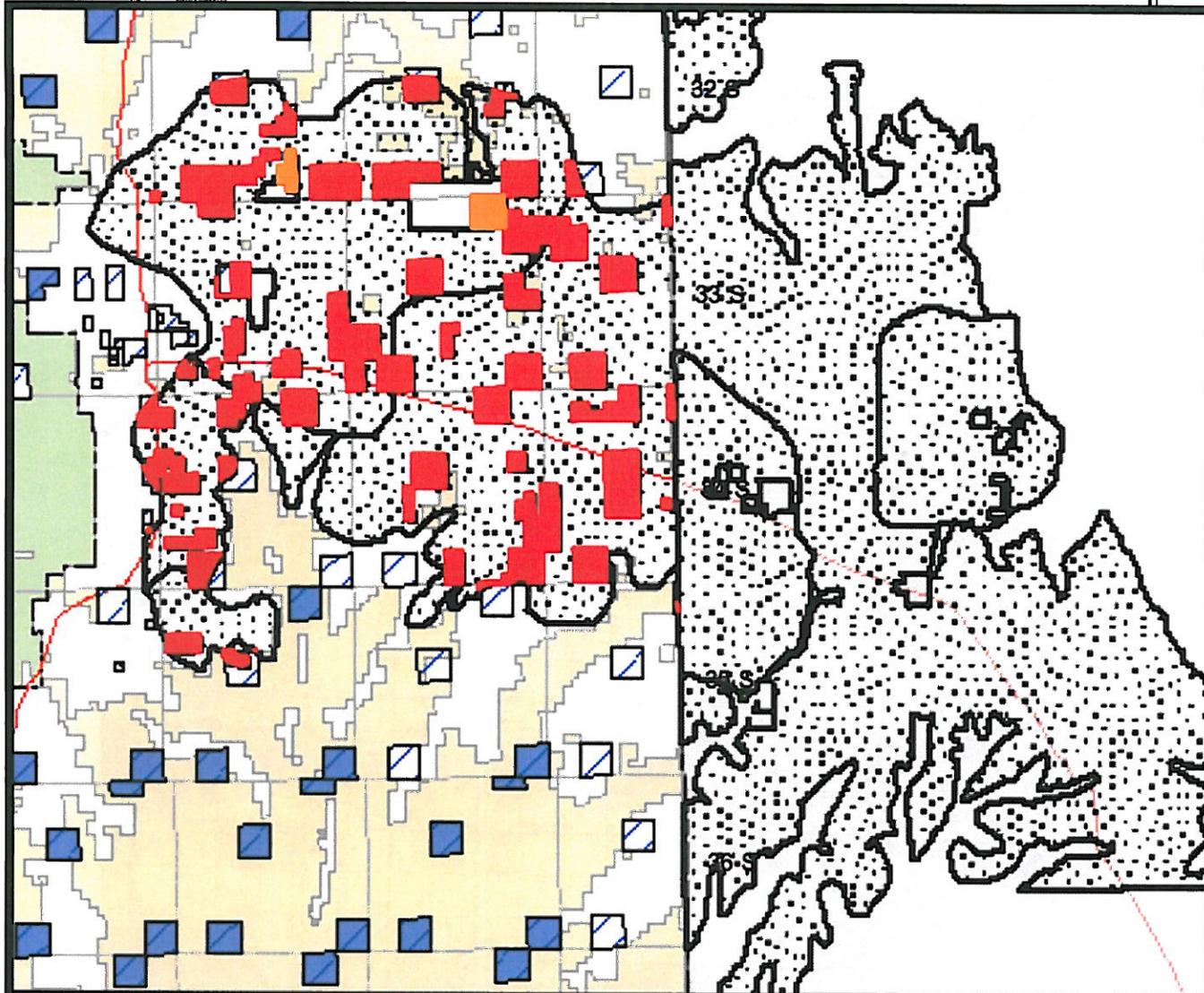
Approximate Acres of SITLA Within Critical Habitat
 Surface and Mineral Estate: 922 Acres
 Mineral Only: 24,419 Acres



For Reference Use Only
 Produced: November 18, 2014, SITLA
 Name: Surface_s8x11.mxd
 Trust Lands Administration
 675 East 500 South, Suite 500
 Salt Lake City, Utah 84102



Gunnison Sage Grouse Critical Habitat



Federal
Reservations

Approximate Acres of SITLA Within Critical Habitat
Surface and Mineral Estate: 922 Acres
Mineral Only: 24,419 Acres

Asserted Threats

- ❖ habitat decline from human disturbance
- ❖ small population size and structure
- ❖ drought
- ❖ climate change
- ❖ disease

Actions that would result in the loss of sagebrush overstory plant cover or height.

- ❖ Such activities could include, but are not limited to, the removal of native shrub vegetation by any means for any infrastructure construction project; direct conversion of sagebrush habitat to agricultural land use; habitat improvement or restoration projects involving mowing, brush-beating, Dixie harrowing, disking, plowing, Tebuthiuron (Spike) and other herbicide applications, or prescribed burning; and fire suppression activities.

Actions that would result in the loss or reduction in native [leafy plants], and a reduction or loss of [bugs]

Such activities could include, but are not limited to, livestock grazing, the application of herbicides or insecticides, prescribed burning and fire suppression activities; and seeding of nonnative plant species that would compete with native species for water, nutrients, and space.

Actions that would result in Gunnison sage-grouse avoidance of an area during one or more seasonal periods

- ❖ Such activities could include, but are not limited to, the construction of vertical structures such as power lines, fences, communication towers, buildings; motorized and non-motorized recreational use; and activities such as well drilling, operation, and maintenance, which would entail significant human presence, noise, and infrastructure.

Board Retreat Follow-up

Spring 2014 Retreat

- ❖ Take time after board meetings for 'roundtable' discussions

Month	Topic Discussed by Board
May	Take Budgeting Offline
June	Wild Horse Strategy
July	No Meeting
August	Water Acquisition
September	Deed Restrictions (deferred)
October	Deed Restrictions

Spring 2014 Retreat

- ❖ Take time after board meetings for 'roundtable' discussions
- ❖ Provide immediate notice upon receipt of petition for adjudication
- ❖ Update subcommittee assignments
- ❖ More emphasis on adjudication during new board-member orientation
- ❖ Hold a retreat every two-three years
- ❖ Conduct 6-month follow-up review of retreat items

SITLA Board of Trustees

Board Adjudication FAQs

1. *When does the Board conduct adjudications?*

A private party that is aggrieved by a final agency action may petition the Board for administrative review of SITLA's decision. Examples of agency decisions that have been appealed include decisions to terminate mineral leases for the lessee's failure to undertake diligent development, decisions to increase lease rent based on lease escalator clauses, decisions to lease land to one competitor over another, and decisions to assess severance damages for issuance of a power line easement. By statute, some categories of SITLA decisions – particularly decisions to sell, lease or exchange particular property – are not appealable to the Board.

2. *What happens when a Petition for Review is filed?*

The Board secretary (Nannette Johnson) will notify the Board of the appeal and promptly mail a copy of all documents to each Board member. The Director is required to stay all agency actions with respect to the matter unless and until the Board determines that any stay should be lifted. If the mailing date of the petition to the Board is more than ten days prior to the next scheduled Board meeting, the Board may conduct an initial hearing at that meeting; otherwise, the initial hearing will occur at the following scheduled Board meeting.

3. *What does the Board need to do at the initial hearing?*

The first thing the Board needs to do is decide whether to hear the petition at all. The Board may decline to hear any petition. If the Board declines to act, the petitioner is allowed to seek "de novo" review of the agency decision in the District Court. Reasons that the Board might decline to act could include lack of time, the complexity of technical or legal issues, or purely legal disputes that the parties agree would be best resolved by a trial court judge. The two parties (SITLA and the petitioner) may weigh in at the initial hearing on what course they believe the Board should take.

If the Board chooses to hear a petition, the second thing that the Board needs to decide is whether to hear the petition informally, or whether to conduct a formal adjudication. The factors that go into the decision to conduct hearings informally vs. formally are described in section 4 below.

At the initial hearing, the Board can also set schedules for hearing the matter in the future, appoint a hearing examiner if the matter is being adjudicated formally, deal with any issues pertaining to stays, and take care of other procedural matters.

Committee	Board Members	Management Team	Beneficiaries
Oil, Gas and Mining	Louie Cononelos Jim Lekas Tom Bachtell	Tom Faddies LaVonne Garrison	Aaron Garrett
Development	Dave Ure Lonnie Bullard	Rodger Mitchell	Tim Donaldson
Surface and Water	Dave Ure Jim Lekas Scott Ruppe	Kim Christy	Aaron Garrett
Governmental Affairs	Dave Ure Mike Mower	Kevin Carter	Tim Donaldson
Audit Committee	Dave Ure Louie Cononelos Scott Ruppe	Ron Carlson Lisa Schneider Kevin Carter	Tim Donaldson
Exchanges, Legal and Adjudication Rule Review	Louie Cononelos Mike Mower Tom Bachtell	John Andrews Kevin Carter	Aaron Garrett

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Retreat Follow-up (cont.)

- ❖ Develop relationship with AG (future round-table discussion)
- ❖ Distribute budget reports to board focused on discretionary spending (quarterly)

July 1, 2014 - October 31, 2014					
Single Payments Greater than \$25,000					
Amount	Month	Vendor	Reason for Payment	Line Item	
\$80,621.03	July	Ticaboo Utility Improvement District	Settlement on utility services	Development Capital	
\$29,070.00	July	ESRI	Licenses and maintenace for GIS software	Operating	
\$100,000.00	August	Blake S. Atkin	Settlement of Cook case	Operating	
Payments to Single Vendors Greater than \$25,000					
Amount	Month	Vendor	Reason for Payment	Line Item	
\$29,571.12	July - October	CRZ	Forestry Services	Operating	
\$30,015.00	July - September	Allen Freemyer	Washington D.C. representation	Operating	

Retreat Follow-up (cont.)

- ❖ Develop relationship with AG (future round-table discussion)
- ❖ Distribute budget reports to board focused on discretionary spending (quarterly)
- ❖ Develop acceptable financial reports for Development
- ❖ Review LEDA royalty allocation

53C-3-202 Collection and distribution of revenues from federal land exchange parcels.

- (1) The director shall collect all bonus payments, rentals, and royalties from the lease of:
- (a) minerals on acquired lands;
 - (b) acquired mineral interests;
 - (c) minerals on exchanged lands; and
 - (d) exchanged mineral interests.
- (2) No later than the last day of the second month following each calendar quarter, the director shall distribute:
- (a) bonus payments received during the calendar quarter from the lease of coal, oil and gas, and coalbed methane on the identified tracts as follows:
 - (i) 50% to the United States; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203;
 - (b) rentals and royalties received during the calendar quarter from the lease of subject minerals on the acquired lands and the lease of acquired mineral interests as follows:
 - (i) 50% to the Land Grant Management Fund created by Section 53C-3-101; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203;
 - (c) mineral bonus, rental, and royalty revenue generated from the lease of subject minerals, other than oil shale, on exchanged lands or from the lease of exchanged mineral interests, other than interests in oil shale, as follows:
 - (i) that portion of royalty revenue from leases of exchanged lands or exchanged minerals that exceeds royalty revenue calculated at the prevailing federal royalty rate at the time of lease issuance, to the Land Grant Management Fund created by Section 53C-3-101;
 - (ii) all remaining revenue:
 - (A) 50% to the Land Grant Management Fund created by Section 53C-3-101; and
 - (B) 50% to the Land Exchange Distribution Account created in Section 53C-3-203; and
 - (d) mineral bonus, rental, and royalty revenue generated from the lease of oil shale on exchanged lands or the lease of exchanged mineral interests that are interests in oil shale, net of amounts paid to the United States pursuant to a reserved interest of the United States in oil shale, as follows:
 - (i) 50% to the Land Grant Management Fund created by Section 53C-3-101; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203.
- (3)
- (a) Except as provided in Subsection (3)(c), the director may retain up to 3% of the money collected under Subsection (1) to pay for administrative costs incurred under Subsections (1) and (2).
 - (b) Except as provided in Subsection (3)(c), the director may deduct administrative costs before distributions are made under Subsection (2).
 - (c) The director may not deduct administrative costs from the portion of collections derived from minerals on exchanged lands or exchanged mineral interests that is equal to the United States' reserved interest in oil shale.
 - (d) The director shall keep the administrative cost deductions in separate accounts.
 - (e) The money retained under Subsection (3)(a) is nonlapsing.
 - (f) The director shall distribute in accordance with Subsection (2) the unused balance of the money retained under Subsection (3)(a) that exceeds \$2,000,000 at the end of a fiscal year.

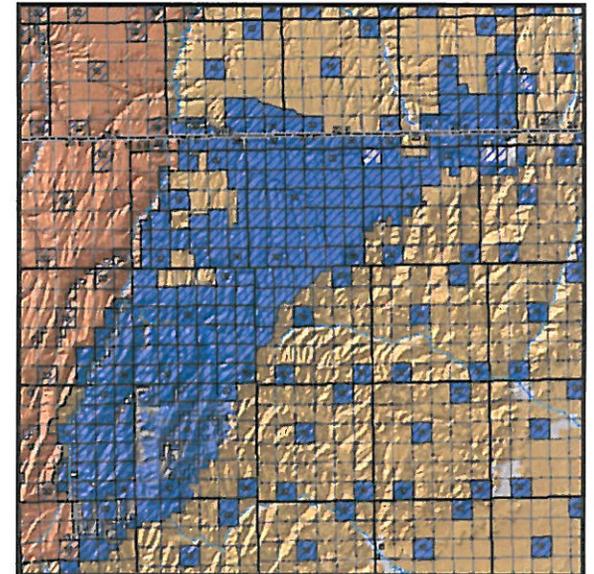
Retreat Follow-up (cont.)

- ❖ Initiate Quarterly sub-committee meetings
- ❖ Keep board better informed on land exchange issues
- ❖ Explore offering 10-year deferment on collection of royalty to offset 'pay-go'
- ❖ Re-allocate funds from Capital budget to Stewardship budget
- ❖ Better use of project codes for tracking expenditures

Retreat Follow-up (cont.)

- ❖ Get written endorsement from State Engineer that we can hold water rights
- ❖ Consider adding 'liaison' staff in Uinta Basin
- ❖ Examination of Current Salary Ranges
- ❖ Identify a different name for the lands previously known as the 'Book Cliffs'

The "Cash Cow" Block
Willow Creek Block



- Penstemon Conservation Agreement
 - Wild Horse Resource Degradation
 - Greater Sage Grouse Listing
 - Public Lands Initiative
 - Hill Creek Relinquishment / Acquisition
 - Fire Rehabilitation and Range Improvement Projects
 - Lake Mountain Clean-up Project
 - Refinement of La Sal OHV Pilot Project Travel Management Plan
- ❖ Get written
 - ❖ Consider
 - ❖ Examine
 - ❖ Identify Cliffs'
 - ❖ Pursue general stewardship actions for conservation

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Retreat Follow-up (cont.)

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- ❖ Educate public on our success in performing stewardship management while still fulfilling our fiduciary mandate

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- ❖ Educate public on our success in performing stewardship management while still fulfilling our fiduciary mandate
- ❖ Help beneficiaries educate teachers/councils on value of stewardship

Questions/Comments