

Chair David Ure  
Director Kevin Carter

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

November 20, 2014

**Minutes**

**Attending:**

**Board**

David Ure  
Louie Cononelos  
Jim Lekas  
Tom Bachtell  
Scott Ruppe (by phone)  
Lonnie Bullard  
Mike Mower

**Staff**

Kevin Carter  
Ron Carlson  
Tom Faddies  
Lisa Schneider  
LaVonne Garrison  
Rodger Mitchell  
Kim Christy  
Deena Loyola  
Rick Wilcox  
Nancy Strickland  
Scott Bartlett  
John Andrews  
Nannette Johnson

Others in Attendance:

Tim Donaldson, Utah State Office of Education  
Aaron Garrett, Utah State Office of Education  
Paula Plant, Utah State Office of Education  
Karen Rupp, Utah State Office of Education  
Bruce Williams, Utah State Office of Education  
Margaret Bird, Universities  
Jonathan Bates, Universities  
Paul J. Flatley, Morning Gun Exploration  
Joe Eubanks, Morning Gun Exploration  
Justin Dunn, Morning Gun Exploration

Board of Trustees  
School & Institutional Trust Lands Administration  
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## 1. Welcome

Chairman Ure opened the meeting and welcomed those in attendance and guests from Morning Gun Exploration. Scott Ruppe participated by phone until 10:10 a.m.

## 2. Approval of Board Minutes of October 23, and November 5, 2014

The Board approved the minutes of October 23 with an amendment.

“I move we approve the minutes of October 23 with the corrections provided.”

Ruppe/Cononelos

Roll Call:

Dave Ure – yes

Louie Cononelos – yes

Jim Lekas – yes

Tom Bachtell – yes

Scott Ruppe – yes

Lonnie Bullard – yes

Mike Mower – yes

Later, the Board also approved the minutes of the November 5 conference call-in meeting.

“I move we also approve the minutes of the conference call-in meeting on November 5.”

Cononelos/Lekas

Roll Call:

Dave Ure – yes

Louie Cononelos – yes

Jim Lekas – yes

Tom Bachtell – yes

Lonnie Bullard – yes

Mike Mower – yes

## 3. Confirmation of Upcoming Meeting Dates

Kevin reviewed the meeting schedule for 2015 and invited Board members to attend the January WSLCA conference in Phoenix. He also reviewed suggestions for Board tours in the spring and fall during 2015.

The Board asked to have a spring tour of the areas identified in the Bishop Initiative to see lands proposed for the Congressional Land Exchange. In the fall, the Board would like to tour the Red Leaf project and the Book Cliffs area. The Board requested the fall tour be conducted in September rather than October.

## 4. County Advisory Committee and Public Comment Period

No one in attendance requested to make public comment.

## 5. Consent Calendar

### a. OBA for Samson Oil and Gas for Prospect in San Juan and Grand Counties.

There was no discussion to the contrary; therefore, this item will proceed as presented.

### b. OBA for Morning Gun Exploration on Bluff and Bench Blocks in San Juan County.

There was no additional discussion; therefore, this item will proceed as presented.

## Notification

### c. Minor Development Transaction – Sienna Hills School Site Parcel.

There was no discussion on this item.

**Follow-up after Six Months**  
**d. Grand Canyon Trust OBA.**

There was no discussion on this item.

**6. Chair’s Report**

**a. Beneficiaries Report: The Signal and the Noise...and the Trust**

Tim Donaldson reviewed highlights of the book by Nate Silver and made comparisons for how to view data for the Trust and avoid common errors and biases. He emphasized the point made in the book that noise is the distraction and the signal is the truth. When assessing data, it is important to distinguish the difference. He provided a list of common errors and biases.

1. Small sample size
2. False Positives
3. Ignorance of Fat Tail
4. How to handle Tail Events
5. Trying to Get Attention
6. Overreacting to Recent Events
7. Incentive Bias
8. Confusing “Risk” and “Uncertainty”
9. Correlation Confusion
10. Thinking Unfamiliar is Improbable
11. Moody Emotions
12. Ideological Bias

The Board thanked Mr. Donaldson for the presentation and the perspectives presented.

**b. Update for Wildlife Advisory Committee (WAC) – Book Cliffs Block for Appointment of a New Member**

[This agenda item was delayed to allow for consecutive closed session discussions.]

Chairman Ure recommended the Board go into closed session to discuss the appointment of a new committee member.

“I move we go into closed session to discuss an appointment to the Wildlife Advisory Committee.”

Cononelos/Bullard

Roll Call:

|                    |                       |                  |
|--------------------|-----------------------|------------------|
| Dave Ure – yes     | Louie Cononelos – yes | Jim Lekas – yes  |
| Tom Bachtell – yes | Lonnie Bullard – yes  | Mike Mower – yes |

Present for the closed session were six Board members, Director Kevin Carter, John Andrews, Jonathan Bates, Margaret Bird, Aaron Garrett, Tim Donaldson, Ron Carlson, LaVonne Garrison Paula Plant, Lisa Schneider, Tom Faddies, and Nannette Johnson

“I move we return to open session.”

Mower/Bachtell

Roll Call:

|                    |                       |                  |
|--------------------|-----------------------|------------------|
| Dave Ure – yes     | Louie Cononelos – yes | Jim Lekas – yes  |
| Tom Bachtell – yes | Lonnie Bullard – yes  | Mike Mower – yes |

The Board returned to open session to point out each committee member serves in an advisory capacity. The Board then voted to accept the nomination of Shane Cross from Trout Unlimited and appointed Mr. Cross as a member of the Wildlife Advisory Committee.

## **7. Director's Report**

Prior to presenting a follow-up report from the April Board Retreat, the Board asked for a report on actions related to protestors and the impact of the Gunnison Sage Grouse listing.

Director Carter said the approach to dealing with protestors of oil and gas development has been addressed by issuing an order to close an area to the public for safety reasons, which also allows law enforcement to act on trespassing and other mischief by protestors.

The Director discussed the recent action listing the Gunnison Sage Grouse as a threatened species under the ESA. He described the difference between threatened and endangered species, and what this listing would mean for landowners. The impact to SITLA would be in mineral ownership with the restriction stating that any action that would reduce native leafy plants or remove bugs is prohibited. A lawsuit challenging the listing is likely, based on the adverse impact of the listing.

Director Carter also discussed the prairie dog as an endangered species on non-federal land. He discussed the ruling by Judge Benson stating there is no authority to regulate on private land. For species that exist in only one state, the restrictions do not apply. The ruling is the first crack in the commerce clause covering these issues.

### **a. Follow-up Reports of the April Board Retreat Topics**

Director Carter reviewed each point from the April Retreat to report either completion or the status of each point. During the review of the retreat, the Board appointed Lonnie Bullard to the Governmental Affairs Subcommittee. The Board asked that a retreat be held every few years to provide detailed information to Board members.

Director Carter pointed out one topic from the retreat that has not been fulfilled is to find a new name for the Book Cliff area to avoid use of the phrase "road-less area." A new name has not yet been selected.

Kim Christy reviewed the stewardship commitment describing several areas of action. He discussed the benefit of performing stewardship management to fulfill the fiduciary mandate. Kim also discussed public relations projects underway since the retreat including the redesign of the website, helping to educate teachers on the Trust, electronic quarterly newsletter to community council members, etc.

Mr. Christy also discussed the frequency with which the agency appears in the news. The news often generates comments in social media. The agency is exploring social media as a way of being aware and providing balance in social commentary.

Paula Plant provided comments on how the education of teachers and the members of community councils are resulting in better understanding. She relayed an experience that resulted in allowing people to make the connection in how a development project had a positive impact on the funds distributed to schools.

## **8. Roundtable Discussion - - Comprehensive Review of Easement Program**

Kim Christy reviewed programs for revenue production associated with the review and processing of easements. Mr. Christy recognized Scott Bartlett as the administrator of the Easement Program and Nancy Strickland who processes county road claims. Mr. Christy outlined areas for easement work and discussed the benefit of now having one individual to centralize oversight of the easement application process. He then invited Mr. Bartlett to present the easement program.

Mr. Bartlett reviewed the types of easements including, but not limited to, power lines, telephone and fiber optic lines, oil & gas pipelines, culinary and irrigation pipelines, and roads. These easements are distinct from conservation easements.

When an easement application is received it is first passed to GIS for mapping to identify and address any potential conflicts of use. The application is circulated for review so all agency business groups can offer suggestions for improvement, as needed. The application is sent to the Resource Development Coordinating Committee (RDCC) to begin a 30-day review period by the committee. SITLA archaeologists also review the easement. After review by the Agency and RDCC, the Director accepts or rejects the application.

If the easement is determined not to be in the best interest of the beneficiaries and rejected, the rejection is not an appealable process. If the easement application is accepted, the rental rate and fees are determined. No money is accepted prior to this point.

Rental is determined by the Agency's easement price schedule or by appraisal, depending on property characteristics. Mr. Bartlett indicated the terms of a contract are relative to the easement and mentioned the typical contract term is for 30 years. Once fees and rental are paid and all comments are addressed, the easement is issued. The full process is reported on the Director's Minutes to create a complete record.

With regard to roads, Ms. Strickland reviews each road claimed by a county or other party. If a road existed prior to the Agency's title date, its right of way is granted under federal law and the Agency acknowledges such, with no easement purchase required. If a road was established after the Agency's title date, an easement must be purchased. OHV and CIB funds have been used for these easements. All Class B roads across trust lands in the state have been analyzed, and Class D roads are underway.

The Board thanked the presenters for the details, which they found informative.

## **9. Discussion of School of Mines Allocation**

The Board went into closed session for a discussion of the School of Mines Allocation.

“I move we go into closed session to discuss legality of the School of Mines allocation of funds.”

Cononelos/Lekas

Roll Call:

Dave Ure – yes

Louie Cononelos – yes

Jim Lekas – yes

Tom Bachtell – yes

Lonnie Bullard – yes

Mike Mower – yes

Present for the closed session were six members, Director Kevin Carter, John Andrews, Jonathan Bates, Margaret Bird, Aaron Garrett, Tim Donaldson, Ron Carlson, LaVonne Garrison Paula Plant, Lisa Schneider, Tom Faddies, and Nannette Johnson

“I move we return to open session.”

Lekas/Bachtell

Roll Call:

|                    |                       |                  |
|--------------------|-----------------------|------------------|
| Dave Ure – yes     | Louie Cononelos – yes | Jim Lekas – yes  |
| Tom Bachtell – yes | Lonnie Bullard – yes  | Mike Mower – yes |

Upon the Board’s return to open session, the Board made a motion to request a letter be directed to the University. Mr. Bullard suggested the tone of letter represent that SITLA is glad to be able to raise money to benefit the School of Mines. He also suggested receiving a letter from beneficiaries annually. Director Carter mentioned SITLA partners with the University in fulfilling an obligation and would like to be able to advertise how the lands are fulfilling needs.

“I make the motion that a letter be directed to the University reminding them that the funds generated for the School of Mines be given directly to School of Mines to use for their benefit. Additionally, a letter will be requested from the school to report how funds are used, which will allow SITLA to advertise how management of the lands is fulfilling needs.”

Cononelos/Lekas

Roll Call:

|                    |                       |                  |
|--------------------|-----------------------|------------------|
| Dave Ure – yes     | Louie Cononelos – yes | Jim Lekas – yes  |
| Tom Bachtell – yes | Lonnie Bullard – yes  | Mike Mower – yes |

Mr. Lekas made the motion to adjourn the meeting, which was seconded by Mr. Bachtell.