

# March 19, 2026 Board Meeting Transcript

Mon, Mar 23, 2026 3:05PM 2:11:45

## SUMMARY KEYWORDS

TrustLands, public comment, legislative session, geothermal amendments, economic development, financial audit, reading intervention, para educators, property sale, zoning issues, mining activities, digital infrastructure, beneficiaries, board meeting., 65 acre parcel, first right of refusal, quality development, \$6.5 million offer, usable acreage, appraisal, oil shale, red leaf resources, retort process, limestone exploration, water rights, grazing assessments, capital account, hatch block, beneficial use.

## SPEAKERS

Chanse Rinderknecht, Michelle McConkie, Tyler Wiseman, Speaker 1, Speaker 2, Jim Davis, Andy Bedingfield, Deborah Memmott, Brian Tarbet, James Newman, Aaron Langston, Speaker 3, John Baza, Kim Christy, Bryan Harris, Marla Kennedy, Gregg Mcarthur, Mike Nelson, Dan Simons, Joelette Organista, Scott Chamberlain

---

### **B** Bryan Harris 00:08

Yeah, welcome everyone. We're going to go ahead and get started. We'd like to excuse trustee James and Mauer, they were unable to make it today. We have we have a quorum, so we'll get started. We are grateful to have mister Shipley and Miss Taylor from the Myers hospital. It's always great to have some beneficiaries with us today. So welcome. We're glad you're here. Start out with our minutes from the February 19 board meeting. Do any of the board members have any comments or questions or corrections on the minutes? None, all right, and I'll entertain a motion to approve the minutes.

### **J** John Baza 01:06

Chairman, I will make a motion to approve the minutes motion

B

Bryan Harris 01:10

by trustee Baza. Do we have a second? Second? Second by trustee Simon? Sorry, all in favor. All right, thank you. So upcoming meetings next month, we'll have a regular meeting, same time, same place, but we'll be followed by a tour of Utah County. Anything to add to that, Michelle,

M

Michelle McConkie 01:45

we're excited. We're working on setting up some different stops at some development pieces that are happening in Utah County, and we think it'll be a really good, worthwhile trip for the board. Okay, great.

B

Bryan Harris 01:59

And then regular board meeting in May and June, if anyone has any conflicts with that in

D

Dan Simons 02:06

Texas on the May one graduates, thank you that okay.

B

Bryan Harris 02:20

Next, we will move on to our TrustLands funds in action. Marla, do you have someone

M

Marla Kennedy 02:29

I would love to say, Yes, I do the he, the principal has not arrived yet. Okay, so I think we should go right to the Social Media Minute. Let's, let's do

B

Bryan Harris 02:39

the Social Media Minute, right?

M Marla Kennedy 02:45

And Joe, our social media manager, jolla organisa, couldn't be here today, so she, of course, created one of her lovely good things for all of you. I

M Marla Kennedy 03:06

and just while we're getting started, I think that Imaan might speak to it, but we've, we've technically put the presentation together a little bit differently, and so anyone who's presenting just know to use your arrow keys on here.

D Dan Simons 03:23

You're supposed to be volume

J Joelette Organista 03:24

on that. Welcome to the Social Media Minute. I know you are so excited to watch the videos that I have prepared. So let's get to it. The first video I'm going to show is an example on how I educate people on what are TrustLands, things that feel difficult but aren't TrustLands. Trust trust home. Are they public lands?

S Speaker 1 03:51

I don't know how to put this, but

J Joelette Organista 03:55

no, that's not our department. TrustLands are lands designated to make money for Utah public institutions like Utah public schools, Pasley hospital, Pasley colleges, reservoir. So the next time you see one of these, no, she's iconic word trusted. Wasn't that a great video? So let's go on to the next one. Shout out to Russell Tyler, who always get me content when they're out in the field, combining trends and the work that they do out in the field on social media.

J

Joelette Organista 04:38

And that's for up. If you have any questions about the video. Direct them to Marla, so that is all See you next time.

M

Marla Kennedy 04:48

I hope you all enjoyed that and see how hard we're working to get the word out. We are doubling it down again on TrustLands versus public lands. It's sometimes a confusing issue. So. See a lot more of that, and I do not see the principal, so if he arrives, we'll go back. Excellent. Thank you.

B

Bryan Harris 05:14

Alright, we'll move into public comment period. TrustLands welcomes comments from the county advisory committee the public and other interested parties. The board sets aside 15 minutes at each board meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity and has up to three minutes for remarks. Any member of the public participating electronically desires to comment, shall use the raise hand feature during the Zoom meeting, the public comment segment of the board meeting is not the time for a question and answer discussion. Trustland staff is available for dialog outside of the board meetings. Is there anyone in the audience that would like to make a public comment? Is there anyone online like to make a public comment? Somebody online? We will close the public comment period.

B

Bryan Harris 06:16

On the agenda is the chair's report. Chair James is out of town today, so she asked that I chair the meeting once I've thought a little bit about what I could say. I've been on the board for one on six years now, just about done with my tenure as well, and I thought I'd first of all just start out by saying what a great experience it's been to be on the board, to work with all of you, to learn from you, and to really understand trust system. And thank all of you for all the work that you do. It's pretty amazing what you do. And as I've thought about it, I just think it's quite remarkable what we, what we do, what you, what all of you do, not and we, I know we focus on beneficiaries and the benefits there, and that should be the focus, and that's, that's, that's great, but as I've thought about, you know, how this whole system works, or some other tremendous benefits that we don't talk about quite as often, but they're usually beneficial to the state. Of course, the economic activity comes from what we do and how that is so necessary for our economic system, United States and in Utah, to work, and how we benefit that. And specifically, you know, the mining activities that we do, the oil and gas activities, the energy activities, and all, and really, all the infrastructure placed on, on, on the TrustLands, it's just, it's incredibly beneficial to The everything in the state, and as we, as we move forward, that's just going to increase. It's, you know, we really are in a transition in energy transitory time right now. There's, there's such a high demand for energy in the state of Utah right now, of every sort, and main, and mainly that is coming to energize our digital infrastructure, that we're all that we all need. And that's going to happen. We really are. We are in a race to see who can be the world leaders in technology, still, particularly with AI. So it's going to be interesting to see how that impacts what you all do, how we, how we respond to that, with our energy needs and our digital infrastructure needs. So it's going to be, it's really going to be an exciting next 1020, years is that that evolves. So I'm glad that we're that and trying to figure that out. And it's going to be a huge benefit to the to the trust, to the beneficiaries and everyone in the state of Utah. So, so thank you. Applause.

D

Deborah Memmott 09:46

Alright. Director's

B

Bryan Harris 09:48

Report. Time over to her. McConkie, thank you.

M

Michelle McConkie 09:53

I did not expect to see my pictures staring back at me. Okay. Wonder be alright. Thank you. Well. Thank you so much, trustees for giving me a few minutes to share some things that are happening in the agency with all of you. I want to first of all thank Vice Chair Harris, and thank him for his comments and echo that the beneficiaries are, of course, always our focus, something that we a message we've really been trying to work on in the last few years, is also acknowledging the tremendous economic development that it brings to throughout the state as well, and that's sort of a natural byproduct of what we do. Again, beneficiaries are always our focus, but trying to get that remind people in these communities you want this activity on TrustLands that it really is beneficial in so many different ways. So thank you. I also want to quickly you'll you'll hear from lip pal, but I want to thank the director, Kim Christie, who will be this will be his last board meeting in this position with us. So thank him for the the time that he has served, and it's been great working with him. We've had lots of really great conversations over the years, and sometimes they are difficult conversations, but I've always appreciated his insight and the the ability we've had to work together. So I'm going to start out. I'll give you a quick outline of where I'm what I'm going to talk about today. So in January, we had our planning group talk about some of the different things that they have going on and some of the strategic initiatives that they're and these this is a result of some feedback we've received from members of the board that they really want to have a better idea about what we do day to day and and so that's what We've been trying to highlight. Last month, Stephanie talked about some of the highlighted, some of the different operational groups we have, which, honestly, there's so much work going on there that could be two years worth of directors reports. But I thought she did a great job, kind of a high level view of that. So this month we want to highlight our finance team. Deborah memmott will be be giving that presentation and going through all of the well, not all of them, but many of the different steps that they go through that I think I even after almost 20 years with this agency, I think I still can only scratch the surface up. So we wanted to give her a few minutes to talk about that, and after she's done, I'll give a quick legislative session update. We talked about this last month as well, but now that it's over, want to touch on a few things, and I'm always happy to have conversations individually or after as well, and then Quick Step updates. We've had a couple of new people started. We wanted to make you aware of so with that, I will turn it over to Deborah, good

D

Deborah Memmott 12:44

morning. You guys don't get to see me very often, and I always take that as a good sign, because you don't want to see your accounting team too much, because I'm like he means there's problems.

D

Deborah Memmott 13:00

Okay, so the finance team, we have three different groups within our team. We have our auditing team, which is led by Josh Randall, and then we have two auditors, Z Clements and and Ryan Brown, and our audit our auditing team focuses mainly on oil and gas leases and assuring that they're taking the correct deductions. They audit the royalty reports that they come in. They audit leases to make sure other of our lessees are in compliance with the terms of their leases. And they do an exceptional job and bring in quite a bit of money. And I'm not

going to focus a lot on auditing, because I think Josh might get to have a turn to come present what he does and his group does as part of the remapping we did back in September, we added financial analysis to our team, and we moved Eric BAME, who had been mainly working with our development group. He is now part of the finance team, and he does financial analysis for all of our different types of leases, helping with some of the energy and mineral leases. He's helping with some of the surface leases. And basically he just goes in and does data driven valuations and cash flow models to aid with decisions for the agency, to say, Option A, option B, Option C, and just kind of tell you what's going to look like, what what's we're going to come and so hopefully that's going to turn out to be a very good thing to add to some of the board discussions in some of the committee meetings as to what the options are on some of the different leases. And then we have our accounting group. We have, there's five of us in the accounting group, Rob Miles, who is the Assistant finance director, and he pretty much does jack of all trades. He does. He does a lot of stuff, but he says he focuses a lot on systems. If you have any questions on that, our IT group works with Rob a lot on making sure everything's flowing right. He does contracting, and he does, pretty much like he said, Jack of all trades. He can do any. The Margie Candelaria has been with the agency for quite a long time. She is our royalty specialist. She helped distribute the royalties to the beneficiaries, and probably about \$5 million a month is what she's she's bringing or running through the system and making sure it goes through all the pins and pay the payers, the pens and makes it to where it needs to go. Then we have Michael Babinski, who's also been with the agency for quite a long time. He is our accounts receivable. He handles all of our billings that get sent out. Make sure we let everybody know how much money they they owe us, and then hopefully they send it in. And then Bryce Smith, we were lucky enough to get Bry out of retirement to come back and do our accounts payables for us. He worked for CC, JJ for many, many years, retired to come back part time and do our that's pretty awesome. He pays all of our business sure that's taken care of so rather than focus so much on except the other financial analysis and the auditing, I'm going to talk about the accounting group. What we do accounting in general is a very, very, very controlled environment. There's more controls on us than probably a lot of you know. And so Michelle asked that I maybe highlight some of the structure that we have, some of the oversight that we have, who we have to report to, who assists us, who helps us along our path to make sure that we're doing everything that we're supposed to be doing. So starting the very, very top of it is the accounting standards and policies we have gap which didn't really accepted accounting principles, and that is the US based accounting standards. Everybody in the US that files gap or follows gap makes it consistent. So if you look at Company A, company B, state a state B, cities, counties, we all follow the same accounting standards. We're following, we're putting our statements together the same way we're recognizing revenue the way it's outlined there underneath gap, we have GASB. GASB is the Governmental Accounting Standards Board. Once again, this is another US entity, and they set standards specifically for governments. We're private sector. We have FASB, which is Financial Accounting Standard Boards. GASB is just for governments. They tell us everything, because governmental accounting is different than financial accounting, just in the way that it's set up. We have funds, we have budgets. We have appropriations from the legislature that regular, non government entities do not have to follow. Let's see what else. Okay, the state of Utah statutes. This is what the legislature does to us, how they what this is where all of our budgeting statutes,



17:58

all of this stuff for you.



Deborah Memmott 18:03

Better word coming off the legislative session. All of our budget requirements are defined in the statute, all the deadlines, all the structure, all the things that we have to do. There's a rule in the statute that says we have to when we receive a check, we have three days, three business days, before we're supposed to deposit it to be in compliance with the statute. The statute tells us whether we can earn interest on our own money. The statute tells us what fees we can charge. We have to send the fees that we charge through the legislature and have them approve that then. So that's the state of Utah, the legislature. And then we have just the regular like dhrm statutes. We have our own statutes. A lot of we follow some of the, I mean, we follow into some of the oil and gas statutes. There's just statutes everywhere I do a lot that we do. Next one is IRS regulations. So these are the ones that are always lots of fun, because most of these deal with employees. Most of the IRS regulations are whether employee benefits are taxable, the fringe benefits, what we can what we can give our employees before it becomes taxable by the IRS they, yeah, they're not a lot of fun, but we kind of have to follow them. They cover things like educational assistance, whether it's a tax, whether it's taxable to the employee, what's the limit that we can provide before it becomes taxable, whether we do meals, whether there's whether a meal is taxable to the employee, or if it's able to us, whether employer provided cell phones, how much personal use can you use on a cell phone? All comes down to the IRS regulations. Ddo is Department of Government Operations. It used to be Department of Administrative Services. They do a lot of our accounting policies. So they the division of finance at DGO does the statewide they control statewide accounting. They make sure all the agencies. Are following the same policies. They tell us what we can what we can't do. We follow a ton. We've got a ton of policies that we go through them. They control all of our purchasing, all of our contracts. They also provide all our vendor setup and vendor maintenance, which is actually really good that they do that, because that is becoming a very, very hot topic for fraud now on vendor maintenance, people, especially with a lot of electronic payments, vendors or scammers, will try to change the EFT information on the account. So we send through an invoice, it gets paid, and then they filter it off into their own account instead of sending it to the correct that's the state. Finance takes care of all the vendor maintenance all those type of policies, and we don't have to, and that is awesome. And then we have agency and board policies, and I mean board policies will bring to you for approval every time policies, we bring agency policies and keep you aware of those. Now we get into the oversight, all the people that are helping keep us on the straight and narrow and making sure we're doing everything we're supposed to be doing. The first one is the legislature, and just coming off of the session be paid any attention to all the stuff that goes on during the session. There's a lot of everything that goes through that the biggest things that affect us is the all the appropriation bills, there's numerous appropriations, how much we can spend, what we can spend it for, and we spend a lot of time trying to make sure that is we get everything that we need. They also have performance measures attached to a lot of those appropriations. For each of our budget lines, we have to have a have three performance measures per budget line. We report on those at least yearly, sometimes Quarterly. We have to report over under, why we met it, why we didn't. So legislature. Oh, and then they also have what they call the Accountable budget process. It's a five year every five years, they review every agency on a, you know, a rolling basis. They go down and they revert. They review our entire budget. They

go through it and they make suggestions for improvements. If there's areas they think we're not doing we should be, they'll tell us we had our last one in 24 so we'll be up again at 29 the LFA, the Legislative Fiscal Analyst Office. We work very, very, very closely with them, setting our budget up, getting our budget requests through. Each agency is assigned their own analyst at the LFA, our our analyst, she's pretty awesome. We really like our analyst. She's very easy to work with, and she's very responsive. And so she helps us make sure everything that we're requesting, all the T's are crossed, the eyes are dotted, before we actually send it through, and then helps us get it through the system. Should they also control all the fiscal notes. Anytime a bill comes out, we get if it's going to affect our statute, we get a notice that said, hey, is this going to have any fiscalistic impact on your agency? If so, let us know, so we can set up room so we have some of those go through. They also work with performance measures and the Accountable them. And then on the other side of the budget is the governor's office. And so we work with the governor's office budget gopb, and once again, we have an analyst with gopb, and it's kind of the same thing. So during the session, we're kind of working left and right hand on one side, the legislative, legislature on the other side. And we just got to make sure both sides are happy. And luckily we we've got, we've got good analysts and and they help us get everything through. And we do have a budget hearing every year before the session with gopb. We it's usually the head of gopb, Lieutenant Governor. We go, we present our requests to them. And so they kind of give us a pre session check off and say, Yes, this looks good. We support this or give suggestions what does and does not work. DevOps, Division of finance, and I mentioned this before, where they do the statewide accounting policies. They also control the statewide accounting system, the finance system, which is now called Vantage, is the is basic. We are required to use the statewide accounting system. That's the the system of record for all of our accounting so we follow all their procedures, and they take care of all that. What is interesting to some people then they don't realize this is, we don't have checkbooks. We don't write our own checks. We don't ever even see checks through the accounting system. We enter it. They actually mail the checks out. We don't even very self touch a check. It's just all handled through the statewide accounting system. They also handle all of our procurement. All of our contracts go through purchasing and quarterly they. Audits of our purchase and travel, our purchasing cards and our travel, all the expenditures do that. They do quarterly audits on that, and they will tell us if we're following all of the policies.

D

Deborah Memmott 25:16

The Treasurer's Office is another office that we work with quite a bit. I the treasurer's office controls all the bank accounts. This is another thing people don't because we don't have a bank account where we can go walk into the bank and get cash out of it. Our bank account's a deposit only account. We deposit every day into the bank account. The treasurer's office sweeps it all at night, and so our bank account technically has a zero balance every night. So we can't do automatic payments out of our bank account. So we can't set it up that way. People will want, well, can we just have them debit our accounts? We don't have an account. You can have a have it come in. They will do wires. Once again, this is another area where there's a lot of fraud going on. So they don't do wires unless it's for a large amount or for a very specific purpose. We can't send out a lot of wires. They'll tell us, no one they do quite often. Then we have our auditor, the Office of the Utah State Auditor, yearly we have a financial audit we're included in as part of the state's financial statements starting this year, fiscal year 26 based on a bill that went through last session, we are going to be doing our own audited separate financial statements for fiscal year 26 and then the state auditors will perform the financial audit on those statements. They also can do performance audits. They have not come and done that on our agency, but they could at any time. And they also do internal control audits as part of the financial audit to make sure we've got the controls in place that they can rely on our financial numbers, the Office of the Legislative Auditor General, O lag, we just had a performance audit from them, and that was what 2420 so hopefully we don't have to have another one. But if it comes, it comes, we deal with it, and then we get to just what we do internally. These are some of our internal accounting procedures. One of the biggest areas, and the only time we actually see our state auditors in person, is when they come to look at our cash receiving and the cash received process, basically is, I liken it to like the in the criminal case where you've got the evidence, they come in and they want to see the line of custody of a check from the second it leaves the mail until it ends up on our bank statement. And they will randomly select a number of checks, and we have to show how it went through the entire system, how it was logged when it came in through the front desk, how it made it positive bank and ended up on our bank statement. So we've got, we've got a good control of that. One of the biggest things we have to do is separation of duties. We cannot have one person on the accounting team have the ability to take any process and do the whole thing by themselves. We've got to divide it up and conquer and have one person. So we have one person that records the deposit and then another person that actually reconciles the bank statement one person. So like, for example, Michael, in the business system, he enters things into our business system. He pauses the cash in the business system, but then he has no access to the state's accounting system. So when we compare those two systems, we've got two different people doing the business system and the finance system so that we can reconcile them.

D

Dan Simons 28:44

Yeah, you know, cash receiving. How much cash do you really take in?

S

Speaker 2 28:48

Or is it checks? Well, cash and accounting everything. So we don't get a lot of cash. The most things we get cash for is when people come in and want to buy a county permit.

U

29:01

Wi Fi bucks,

D

Deborah Memmott 29:03

and now that we've set up our website, they can do that online. We don't even get that much. Yeah, but the accounting definition of cash is cash checks, anything that's negotiable. Marla and we do some days, we don't get a lot of checks, except during grazing season and crazy season, we send out hundreds and hundreds. So we'll have one month. In the month of May, we'll get a ton of checks. And another thing that we have to control is access to system and documents like the state's accounting system full on. Have to give them your job title, tell them, and then if you don't have the job title, they will not give you access to anything. And you have to take the training before so Michelle wanted to have access to the accounting system, so you'd have to take all this training and let them know why she actually needed access to it. And same with like the payroll system and things like that, they're they've got a very structured system. And. Place to make sure only the people that need access to the system actually have access to it. And same with documents, we have to monitor the approval on all expenditures. The accounting group doesn't really have authorization to approve transactions unless, well, we we send them through the system, we have to approve it in the system, but we can't put it into the system until it's approved, been approved by a manager or a delegate of that manager to say that it is a valid expense. So it gets approved by the manager, and then we entered into the system, and then either myself or Rob has to get it set on for payment. And then we do a lot, a lot of reconciliations to make sure everything is in in the correct place, it's to the correct beneficiary, where we want it to be. I think that is hidden. Does anybody have any questions?

M

Mike Nelson 30:53

You mentioned your three groups, auditing, financial analysis, accounting, so when you conduct fiscal impact of a potential legislation. Who does that?

**D** Deborah Memmott 31:05

It goes through accounting, but we send it out. So I will get the notice they have the system, the fiscal note system set up. It comes in to me, and then we send it out through the management and so like, if it's a bill that's affecting surface, then we'd pull Jim in. If it's affecting minerals, we pull Andy and whoever has the expertise on that area. And with the fiscal notes, we literally have 24 hours from the day we received the note, or from the time we received the notice, until we're supposed to have it to them. So it really is just a educated guess on what we really think it's going to be, but we try and do the best that we can so we can give them a good idea of yeah, this is going to have a huge No, it's really not so,

**D** Dan Simons 31:43

yeah, yeah, I noticed that the governor and the legislator, legislature each have an auditor. They ever audit one another?

 31:53

I don't know. They won't

 31:55

probably be interesting to watch.

**D** Dan Simons 31:58

Never, both of them ever audit the same entity and find out and agree with one another? Yeah, have to sell it with pistol on or Well,

**D** Deborah Memmott 32:09

the state auditor focuses more on finances, right? They do the financial audits. So they do a law, whereas the legislative auditors are basically at they're they're assigned by the legislature, so they get to decide who they're auditing and what specific thing, but they usually have a very, very narrow focus. They're going after a specific agency for a specific purpose. Yeah, it would be interesting to see if they started duking it out.

B

Brian Tarbet 32:39

One question, Mr. Chair, I flew back from Phoenix last night. Deborah and I just flew probably across the state, looking at that terrifyingly meager snow pack, thinking of wildfires. Are we charged when wildfires affect our property? We help

S

Speaker 2 32:55

with the reclamation after we pay for that. We do have some of that in our budget, but forestry, fire and state land actually does cost for fighting fires. We don't. We don't fight the fires. We help. We do have to clean up

B

Brian Tarbet 33:07

our own land. Personal experience. They always like to share the bill with somebody else.

S

Speaker 2 33:10

I just won't. Yeah, so we will reseed our own land, or whatever needs to. Not the firefighting is fire, forestry, fire in state land really

M

Michelle McConkie 33:20

quickly too. We and we'll get in. This is actually something we have scheduled as a later discussion. We take part of what's called WRI watershed restoration initiative with other state agencies that helps with Reclamation. It's really great. It gets neighboring landowners, federal government, private us, others who have been impacted by a fire, and we pull the money. And it goes a lot further and adapt, actually manages that. That's been a fantastic program, one of the things we plan on touching on in the future, but yeah, to Deborah's point, very fortunate. Forestry Fire State Lands pays for the firefighting piece, and it's it's really on us to make sure we're reclaiming the land and trying to protect it. Thank you. Thank you. Thanks. Deborah, yeah, the fiscal notes are always that's part of why the legislative session. One of the many fun things that come up, they keep you on your toes. Am I okay to go forward? Do we Okay? Legislative Update again, fairly quick. Some of these things we've already talked about, there were a lot of bills that we followed throughout the session the either directed us potentially, either potentially impacted us directly, or maybe impacted some of the industry that we work with. Thankfully, a lot of them that impacted us directly, that we were maybe had some concerns about, did not materialize, or where you're able to work really well with sponsors, to be able to get some of the language changed and get some of the focus changed, but one of them I'll highlight, and again I mentioned this last month, but at the time, it was still in the process. SB, 21 our geothermal amendments, and this was Senator McConnell. Was the sponsor for this. This actually went through. It was sent to the governor middle of March, and the purpose of this bill was to encourage the development of geothermal resources in the state.

And it did a few different things. One of them is it, it stated that the state, the state's purpose in in helping to move these things along. As part of that, the surface estate owner is the owner of title to geothermal resources. That's something that had not really necessarily been decided by the courts, and we'll see how all of that moves forward that so that's true unless it was expressly severed in a split estate situation. So when someone conveyed the surface, if they expressly reserved the geothermal that wasn't affected, but otherwise it was deemed to have passed with the surface of state. This, of course, was interesting to us, because we have a lot of land, 10s of 1000s of acres, of severed mineral estate where we own the mineral but not surface. Sometimes the surface may have passed out of our hands 80 years ago, but we still have the mineral estate, because we're not allowed to convey the mineral estate, and a lot of that is actually in what we call the geothermal fairway. So it is, and some of it's even under lease, because we have viewed that as being part of the mineral estate, we were able to work really closely with Senator McKell. It was really a group effort, lots of people in the organization. He was great to work with. We were able to get to a position that we felt comfortable with where TrustLands actually so surface estate, but there is a clarification in there. But for the TrustLands, it was intended the mineral reservation in 50 3c and then the one that preceded it was intended to also reserve geothermal resource. So for trustland state, TrustLands, geothermal resource is part of the mineral estate, and there's lots of different legal reasons. Mike was incredibly helpful in doing research on different things about when a sovereign transfers land, how that's a little different. Someone coming on and wanting to have a piece of land for a homestead and raise cattle there was likely not thinking about, maybe in 100 years, my grandkids will be able to have a geothermal resource. It just was not really in line with the purpose for these grants. So so it'll be interesting to see how this, how this evolves from a policy perspective throughout the state, but from TrustLands perspective, we were really, felt really fortunate, and it was a lot of work and a lot of cooperation and conversations with Senator McConkie to get a spot where, at least for TrustLands, it was clarified that geothermal is included in the mineral estate. That's what we've been working on for about a year. So that was probably one of our biggest, biggest lifts throughout the session, and we ended up in a good place. Okay, I'm kind of grouping these under development and land related. We had HB 475, which was representative Kyle Roberts development, planning and coordination amendments. This made a lot of changes to the Governor's Office of Economic Opportunity. First of all, it changed its name back to the Governor's Office of Economic Development. So all of us who have still been calling it go ed for the last three years can be we'll be back where we actually were to start with. It also changed a lot of what they will do, and I won't get into that here, but the piece that directly affects TrustLands is it establishes an Economic Development Council, and the TrustLands administration, the director or designee, has a seat on that, on that council, which is great, since we again do impact economic development so much throughout the state. So that's going to be a really good opportunity for us to have a voice in these processes, real property recording amendments I mentioned this last month, representative, Chu just clarified that the seal of the state of Utah on a patent is as good as having it notarized. So that was small little cleanup, but something that actually is administratively very helpful for us. Then we had HB 64 which I won't get into too much. This was sort of an interesting bill. This is one we've talked about with the board multiple times for about seven or eight months now. It was something that we worked closely with Representative Albrecht, who is the sponsor, and lots of back and forth negotiations about having a registry and a notice system for when there were there were sites in an area that were deemed locally significant, historically significant, not to be confused with some of the other cultural resource codes already in place. And again, something we went back and forth on we had landed in the spot. We felt pretty comfortable with it. And again, we're really grateful to Representative Albrecht for working with us. It actually passed through the House unanimously when we went to the Senate Natural Resources Committee, it was there were lots of questions. A lot of questions were asked, and

some of the senators were not as comfortable with where we had landed, and it was circled, it did not actually end up going forward. We have had some great conversations. So following that with a. Legislators, with senators, with members of the House, with different state organizations the counties, especially Garfield County, there was a specific piece of land that that's TrustLands That was really of interest to Garfield County was one of the impetus for this. We've had some good conversations. We think we're moving toward a good project, a good trajectory and a good way forward, but that's just one of those that ended up not moving forward, but was something that we worked hard on, and feel like we're in a good spot. I won't really touch on these. These are all different things that have to do, specifically with state employment. You probably read about them in some of the newspapers that talk about different changes to employee benefits, time off and those kinds of things. There was lots of discussions. And as state employees, these will affect us as well, and and some people are thrilled with them, and maybe some are less thrilled with them. Some of it depends on your tenure and how many years you've had with the with the state, as to maybe how you feel about it. Though, there was definitely some compromises where there's some other passport for people who want to keep some of the existing, oh, just so you know, state leave holidays, Good Friday, we will now have four hours off state employees well, and you can have a child and not have to come back a few weeks later or go without pay for a long time, which is what I had to do many years ago. So that's a great improvement. Okay, budget appropriations, our budget, our proposed budget that was approved by the Board, was approved, went through. We're really happy about that. All state employees got a 2.6% cost of living adjustment, and that will go into effect July 1. And then just a heads up. These are some things that there's so lots of things that will have to happen. But there was a \$3 million appropriations to division of facilities and construction management. They would like to have a post training side of some TrustLands. They just needed to have an appropriation put aside. We still have a lot of conversations. We'll have to have to see if it is appropriate. And some on some land they're looking at, we'll have to go through our process. But in the middle of the session, they needed to see if that was even something we would be willing to talk about, so they could put the money aside. So that was done in addition, a couple of years ago, \$50 million was about a year and a half ago, I think, was put aside in a non lapsing appropriation. I'm sorry, was it appropriation to the department natural resources for the purchase of TrustLands that was made non lapsing, and it was, it was transferred directly to Department of Natural Resources for potential purchases of TrustLands, and again, all ongoing things you you may hear about in the future. So any questions on that, if not, I'll quickly introduce new, new teammates, team members, and then I think probably turn it over back to Marla, any questions on the session? Thank you. I think trustee mower is recovering and

M

Michelle McConkie 42:56

it's Yeah, I think the legislators are as well as tired as we get. I cannot imagine how exhausted they must be. So we have two new team members we're really excited about. We have William Mecklenburg, who is right back there. He's with our IT department. We're so excited to have him. He's, he's based out of our salt lake office. He's a programmer. He's been with different size of software companies. And we're really excited to have him. That's always a really a hard spot to fill, and it's we're really excited to have will and to have his talents here. Also Dion Gardner, who I think might be joining us online. We unfortunately can't see, but he said he was going to try to join online. He's based in our Richfield office. Really excited about him as well. He actually has been with the department of water rights for, I think, about 20 years. And one thing we really wanted, this is a surface resource specialist, a resource specialist, and we wanted to get somebody with a bit more of a background in water, since that is such an ongoing issue, we hire, we hire people to help us with these things. We've had some internal people who've worked on it, but to have someone with this kind of background is really exciting. And I know water resources was very sad to lose him, but we're really very excited to have him with us as well. And with that, those are our new team members for this month. And I will turn it back to to Marla.

B

Bryan Harris 44:17

No, Steve, ours is actually online. Oh, he is.

M

Michelle McConkie 44:21

I didn't know that he's not recovering.

M

Michelle McConkie 44:23

Hopefully he's on a beat somewhere, maybe not okay. Thank you.

M

Marla Kennedy 44:31

We're so grateful to have principal Whitaker here today. He hit a little bit of topic. Glad that everybody's still here and excited to have him. He started his career in education, teaching Spanish and English on the Navajo Nation. Then he became the principal at Monticello high, then the middle school principal in Box Elder, and now he's at young intermediate. So this is an Educator who has clearly covered the state and knows rural from top to bottom. So we'll turn it over to principal Whitaker to tell you what he does with their TrustLands Foundation.



45:10

All right, well, it's good to be



Tyler Wiseman 45:12

here with you today, and thank you for taking a minute. I like to start with a dad joke, because I think everyone needs to smile. I don't know if you guys have ever tried blindfolded archery. You have no idea what you're missing. So I've had a real interest in reading ever since I started teaching. I started teaching, as she said, on the Navajo renovation in Monument Valley, and I was teaching a 12th grade group of kids, and I was trying to teach them Huck Finn, and I got shockingly far into that book before I realized how little of that book they were understanding. And then I went back and I did a reading assessment on them, after getting some district guidance, and found out my average reading level was grade 2.6 in a group of 12th graders, and I saw what that was doing to them and how it affected them. And then I tried lots of different things. I've always tried different things to try to help kids in my schools read. Right now, I'm working with 1,000/6 and seventh graders, and we're working hard on literacy with them. And when I got to this school last year, I was introduced to my instructional coach who knows more about reading than anyone I've ever met, and she came from an elementary background, coming from a high school background, I really don't know the science of teaching reading those from the elementary background really do. And she asked if we could point some resources at reading at our school. And I said, Absolutely. And so we dug in using TrustLands money, and we've started to do some really cool things with reading, which I'm excited about. And to talk to you about where is we'll see young located, sir, in Brigham City. Sorry, up in Brigham City box, older school district. So last year, we launched, we use TrustLands funding. TrustLands funding pays for a good portion of our instructional coaches salary. This is the lady, the brains behind the operation. And then we were also able to hire several paras last year. We started with our sixth graders, and we were testing them three times a year and then pulling them into this reading intervention class where these paras were working with the kids, one on one and trying to dig through their reading and it's helping them dug in hard with our sped kids and with our English Language Learner kids. And then we're pulling them out of general population too and getting them the help they needed. And we're also trying to line things up and support the language arts and the science and the and the math with what we're doing, so it's supporting the secondary teachers as well as addressing specific needs with these kids. And we spent, I'm sorry, I'm sorry, special education. Educators love acronyms, special education.



Brian Tarbet 47:56

There I was in the army. You're no man. Spit is special ed type.

**T****Tyler Wiseman 48:03**

Special Ed Paris para educators, so people who aren't fully licensed teachers, but they come in and they usually don't work 40 hours a week, we can get them for 2030, hours a week, often and yeah, sorry about that. We had some strong results last year with those kids. We had 80% of them finish the year reading on grade level. And in the education world, anything past third grade. If you can get them up to reading on grade level, it's really hard to do that. And so this is exciting information. As I was sitting back there, I got an email from my instructional coach that Provo is sending people up to watch what's happening at our school in the coming weeks, because they're excited about it. It's hopeful, and we're looking to expand what we're doing. This year, we've added more kids to what we're who we're serving. We have 86th grade kids coming in from general population. We have 40 kids working out of special ed this year, and 25 kids in the sixth and seventh graders who are English language learners, who are trying to learn English new to the country, or come from families that speak another language at home. And we're trying to hire more of these paraprofessionals. And every Friday, the instructional coach takes time and trains these para educators so they know exactly what they're going to do for the next week, and so they're not going in blind. They're going in with a lot of help and support from her, and they're meeting with these small groups. Are working more one on one with these kids, and they're really trying to teach the grade level text to get them up exposed to what they need to be so they're on grade level and they're working hard things to maintain instructional fidelity and stick to the program. That's what works. And why this matters is we're expanding access to intensive reading intervention across. Our school, and it's building long term instructional capacity for these peer educators, for the kids, for the teachers that are working with it, and it helps more kids reach grade level, and that's what we're hoping for. So that's it. We met with the school community council last week and tried talk to them about what we're doing, and they're excited to expand this next year to get more para educators hired and help more kids. Last year, we had parents complaining that we were only helping the sixth graders. They wanted their seventh grade child to get more help. I was talking to a principals meeting of my fellow principals a couple months ago and talking a little bit about this, and one of the principals stopped us and said, My son was not in the right grade to get this help last year, but you guys fit him in even though he wasn't in the grade level that was being served. And he said it was like you were flipping light switches until you went through 100 light switches. And he complained for a couple of weeks about it, until you found the right light switches, and it's really helped him in his education. Thank you for what you're doing. So what is really helping kids? That's all I have today. Go ahead,

**D****Dan Simons 51:11**

you've talked about you've got up to an 80% increase in your reading. Congratulations. What happens with that other 20%

**T** Tyler Wiseman 51:21

Well, we keep trying to help them and see if we can help them the next year, and hopefully, even if they're not on grade level, toward being on grade level, that will help every kid that can read a little better is going to be that's likely to be in that spot where I saw my first group of seniors sitting in an average grade level 2.6 hopefully they're higher up so they can access more of the curriculum.

**D** Dan Simons 51:45

Assume you didn't leave them behind, but there was something, yeah,

**T** Tyler Wiseman 51:48

keep working with them. Thank you.

**B** Bryan Harris 51:52

Principal Whitaker is this probably isn't the only program you fund with CIT money as a TrustLands funds is there, what, like, what percentage of of your trustland funds does

**T** Tyler Wiseman 52:05

this next year, we're looking at spending around 105,000 out of the 220,000 so about half, about half. It's great.

**M** Mike Nelson 52:15

This troubling to me to hear that literacy is such a problem in these schools. Is it your impression? It's is societal literacy trending downward overall?

**T** Tyler Wiseman 52:35

I don't know that I would say societal literacy is trending. I don't know that I'd be the one to speak about that. I do know that from what I've seen, we're getting more and more scientific about being able to teach reading, and I am not the expert there. These folks come from the elementary world. More would be, maybe would be able to speak to that. I would say that we're able to attack the problem better than what I've seen,

**D** Dan Simons 53:05

comment on that, if I may teach at the university, I talk to people I know who are still working there. You'll need to read these two books this semester. Kids just won't do it. You know, can I get that online? I feel it is a change that we're going through in our society,

**M** Marla Kennedy 53:31

if you'll allow trustee Harris just to let everybody know, and this might be a good topic for us to cover in the future board meeting. Is that trust, the TrustLands funding each school gets is less than 1% Welcome back Paula plant of their overall funding received from the legislature. And so paraprofessionals, by far, are what they spend most of their money on, and it's a tiny, tiny amount compared to what they receive. And so I think it might be helpful to find out, you know, what is funded through, not us, because TrustLands was never really, I don't believe to fund personnel, it can't buy furniture and things like that. But that's where the need has been. The need has been people. Need has been more teachers and being able to pay them and paraprofessionals and so that's where the majority of the funding goes. But it's maybe an interesting topic to get into at another board meeting. You

**B** Bryan Harris 54:46

right, we will move to our advocate report with Kim Christie, Director TrustLands Protect Protection and Advocacy office.

**K** Kim Christy 54:58

Thank you, Mr. Vice Chair. The trustees, it's good to be with you. And as was mentioned, I guess this is my last opportunity before this distinguished body, as was mentioned, I last day with the office will be April 1. And I actually, I'll talk a little bit about that and just a minute or two, but let me cover a few issues and, and then I'll jump into parting remarks, if I may. I'd like to also thank Director McConkie for her kind words, but also to just put a little more flesh on on her report, which was very thorough and, and I think, reflective of some of the good things I think are put in place relative to the interface with the legislature, not only with regard to citla, but I think, with the system as a whole, as was mentioned. And as you're well aware, the greatest victory for our office was seeing the passage of SP 40. That's, of course, the legislation

that clarifies our future role. Been a lot of investment going to that over the last year, but not only the role of our office, but also the accounting accountability dimensions that tied to all 12 of the beneficiaries and our relationship with that overall activity. It was a great effort, and again, many hands were involved with that, and we're grateful for the passage of that which actually occurred within the first two weeks of the session, which took a lot of anxiety off of us to get that behind us and moving on with other things. Director McConkie mentioned a couple other things, but I really want to give a shout out to her and her team for just the proactive nature on how they approach. For instance, the Senator Mike Kyle Bill geothermal piece. You may not know, but in its infancy, that bill even actually being supported by the interim committee with natural resources and then being introduced into session, did not provide the original exemption that was ultimately granted in the end. But it really, I think, demonstrates the great work that was demonstrated by her office and the great experts, and of course, had a lot of play in that grateful for the proactive work that way, in putting a little more flesh on representative albrechts bill. Admittedly, that was one that got our attention, and we were a little more directly engaged with it, but obviously with the lead by sitla, I really want to compliment Michelle and the infancy of that as she was explaining to Representative Albrecht Commissioner Pollock about potential unintended consequences that would be born with what was being proposed when the bill was introduced and ultimately brought before the House. It was interesting, because what it had ultimately distilled to, and it was still pretty dramatic situation, it was calling for upwards of two sections from every county, class five, excuse me, classes four and five counties, which is about 18 counties, that would nominate upwards of two sections in their respective county to be considered to be essentially put more in a hold capacity to protect some historic or cultural significance that the county's deemed that should be considered it was a wonderful thing, and as director McConkie pointed out, when it got to the Senate, a completely different complexion presented itself 100% support on the House side, but when it got to the Senate, I want to emphasize, if any of you know Senator Sandel, please give him a pat on the back, because were it not for him and some of the perspectives that he presented in the committee, and then following that, it really changed the trajectory of that bill where it's now, as Director McConkie pointed out is now the bill did not pass. It was purposely held back by the sponsor and supported that way. And now there's an administrative remedy that's going to be more specific to the Garfield county issue, rather than trying to cast the net on an entire statewide level with such a dramatic policy shift, so grateful for that outcome. That kind of summarizes. No need to really get into more detail, because director McConkie did such a great job. But I would like to say that I really believe that, first of all, compliments again to sitla, because I think this session especially, and I think it comes on the heels so much of the attention that was drawn on both sitlas audit, and our audit, over this last year, year and a half, has, I think, really clarified the fact that, you know, Director McConkie is clearly the face of the agency. She's well respected on the hill. And I think this session really demonstrated, I think, not just for citla, but I think the system as a whole, there was really, I think, a general atmosphere of respect and a less tense environment than we've had over the last couple of years. Anyway, let me put it that way. So kudos to all of us, I think, in terms of how we are improving our imagery as well as identifying the respective role. That all of us had and have, including citvo, our office, and, of course, especially citla as well. But, and I want to give a shout out, even though I mentioned that things seem to really work favorably overall for the system. On the other hand, as you know, education was under the microscope, and Paula, unfortunately, had a little different experience, didn't you Paula, but overall, navigated some tough issues as well there, but she certainly needs to be recognized there as well. Anyway, I wanted to bring you up to speed on that and give you our perspectives of how the session ended up working out for everybody's benefit. The next thing I'd like to just quickly highlight, as you know, we brought to your attention on several occasions now about the nominating committee process. And of course, as was mentioned by Vice Chair Harris, his term

will be expiring at the end of this fiscal year. And so actually, the process is moving well, I think it's important to point out that in the infancy of that, there were actually about 20 individuals who came forward and were originally sifted. And as of next week, we have two meetings scheduled to where five individuals will actually be interviewed. All of you have been through this process as you know and how it works, but it's a rigorous process. And from here forward, I want to first of all thank all of you and others from staff and so forth that have been very good at facilitating and giving input for recommendations to be considered. But as I mentioned, things have shifted down to five names now, and as the process moves forward, it's going to be more confidential and so anyway, thank you for the initial input that's gone into that and see how that ultimately plays out. Want to also call your attention and remind the board, statutorily, you'll recall, it is actually the board that has a responsibility, not necessarily the agency. But I know there's a lot of interface, and we've director McConkie and others of you as well, and appreciate the communications we've had about the replacement of Mr. Roger barus. He's a former board member, of course, but his term will be expiring on our advocacy committee, and his last meeting actually will be coming up in April. We have four meetings rather than your end, but April 14 will be his last meeting, and we appreciate the attention that you're drawing to that realizing that that's something that's actually the ownership of you on the appointment, not necessarily nomination or anything that way. But thanks for your considerations there. Now if I could kind of direct my comments to my my parting you know, I think I gave this story long ago, actually, when I first came on board here, three and a half years ago in this capacity, after coming out of retirement. But I think it's very relevant now, and I'd like to share it again. And some of you haven't heard it. Some of you have, but I it reminds me a little bit of the story of the the gentleman who was standing in line at the checkout at Walmart, and he was standing there, and the gentleman behind him looked at him and said, Hey, I don't mean to embarrass you or anything, but he said, How'd you get that horrific burn on the side of your face? And he kind of blessed. And he says, yeah, I gotta admit this is embarrassing, but I'll tell you, he said I was trying to do my deed at home and help the wife out on some things in the family. And thought i'd give some help ironing some clothes on one particular day. And so I was all fumble fingers. And sure enough, as I'm just getting ready to get to it, all of a sudden, the phone rang, and instead of grabbing the phone, I grabbed the ironing board or the iron and boom, right there to the side of my face. And gosh, the guy says, geez, That's horrific. He said, sorry to see that. But how'd you get the burn on the other side of your face? Well, son of a gun, called me back. I can kind

K

Kim Christy 1:03:54

of relate with that a little bit, but it honestly has been a great ride, as I think all of you know, I had a great opportunity to work historically before coming to here and retiring in 2020 but 18 years TrustLands administration, retiring as a deputy director at that time. Wonderful ride there. And then the last three and a half years here has been wonderful experience as well. And I can't, I don't think I can find the words to adequately express the deep appreciation I have and what a tremendous honor it's been to serve in these capacities. You know, when I think back of, you know, just even going back to the time when I was a policy analyst at the legislature in the early 90s, one of my first assignments was to actually staff the two year task force that examined the reset that ultimately evolved in the creation of citla and at that point in time, and you're well aware of this story, which is a miracle, honestly, taking it from when the collective proceeds in the permanent funds of all trustees at that time was a humble 15. Million dollars, and now to advance it, 32 years later, with the new system that we're operating under over \$4.1 billion it's just, it really is a modern day miracle, and it really speaks to the multiple

hands, and ultimately, I think critically, is strong governance and the administrative structure that has been formulated over time, starting with citla and then later on with Community Councils. The unique natures of that the creation of the citvo office and later our office, but it really, I think, speaks to the overall checks and balances that have created a very unique structure that has in many ways, become the envy of the nation. And it's, it's really impressive to see how all the various arts have come in to create this, this great outcome that we're enjoying. And I think trajectory looks great for that to happen even in the future. You know, this also reminds me of a story that herbs as I was thinking through this that I I'd like to share with you, that comes a little bit on the outside of my profession, but I think it really screams in terms of this overall chemistry and and some of the great things that I recall anyway through this, and that is when my wife, Pam and I raising our young family. Some of you may remember, those of you from Davis County, the old Rogers Memorial theater, there was a gentleman by the name of Ralph Rogers, who was the founder of that program and that theater, it's in the humble little beginnings, which was just a small little theater that maybe housed maybe 100 or so people, later, has evolved into what's known As the center point theater there, and it's a major fixture. They have like five, 600 patrons that attend that almost filling the house every time shows there. But in the humble beginnings of that, we were so blessed as a family to have our young children and us to be participants in different performances and stuff. But I'll never forget some counsel that was offered by Mr. Rogers to us because he was a director of the many of the shows that we got to get into. But you know, his his philosophy was, and he shared it very, very aggressively with us. He said, You know, the success of a show is dependent on the strength of the chorus. He went on to say, a strong chorus allows the leads do their jobs with confidence, as long as the leads are willing to trust and respect the other actors and not be prima donnas. And then he what I really liked his with his comment about there are no small parts, just small actors. I remember him looking at our young children and giving them confidence. But then he went on to say, when the cast works together in an atmosphere of trust and respect, magic happens and the production succeeds. I see that in many ways, that aligning with just the different parts that we all have and play in this system. And as director McConkie pointed out, you know, we've had a lot of good, good deep discussions, some a little more strained than others, but I really believe that it's this structure that sometimes does present some tensions. Those intentions are intended to be healthy tensions and not adversarial in nature, and what I'm really encouraged about as I step aside, is that I think that the trajectory of this office and its relationship and the collaborative dimensions that are ahead of us, I think, look very promising in terms of what has been set in motion with statutory changes, but also because of the great talent that exists throughout the system. As you well know, you've got incredible talent here at citla, but also I'm really proud and pleased to see how things have evolved in our own small office. As you know, we only have three employees, Jesse, who has been with the office since its beginnings, just not more than six years ago. She's really the glue of the office. But the last year, bringing Liz on, Liz Mumford, I have to I characterize her as kind of the Mary Poppins of the office in this last year. And it's just been marvelous to see that kind of talent come together and synergize, which gives me a lot of confidence that, you know, in my departure, things are still bright, but anyway, with that, I'll leave it. I just want to express, again, my deep appreciation. You know, I've come to realize in my in my career, in the many blessings and opportunities I've had, and interfacing with so many that's had such great influence on me, is that it's not so much the subject or the issues that you take on. What really makes work rewarding in your profession is the people you work with, those that you trust, that you respect and enjoy being around, and you are among those. And I just thank you very much for the privilege and opportunity it's been to. To do that, but with that said, thank you very much. It's

B

Bryan Harris 1:10:06

been a pleasure working with you, and you'll be we missed, maybe a round of applause for Director i

B

Bryan Harris 1:10:23

Okay, we will move into our action, but we are actually going to start with agenda item G so back to you. Trustee Mauer is he could not join via zoom. He's in the Philippines, but he can, he's listening in, and it's midnight there, and he wants to participate on agenda item, G so we're going to, we're going to start there. So we have concluded our panel review of director McConkie, and we have on the agenda to reappoint her as our director. It's a, it's a four year term. I think that's per state statute. So we will, we will that now. So any any comments before we just approve this motion for Meland. Alright, then I'll entertain a motion to appoint director McConkie as the director of TrustLands administration four year term. So move second by trustee Nelson, seconded by trustee tarvitt, all in favor, actually, so trustee Mauer is going to vote via text that may not be allowed. Going to so at least make a note that he he votes in everyone else in favor of the motion, unanimous. Okay, Trustee Marla, you can go to bed now we can stay up and enjoy the rest of the action items. Okay, so first item, action item, a proposed major development transaction in Washington County with quality development by Greg McConkie. Here are you. Greg is online. Greg is online.

A

Aaron Langston 1:12:35

It's kind of that, and then Greg can take it from there.

A

Aaron Langston 1:12:44

Thank you, trustees. It is great to be with you today. Just a couple of high level things here.

A

Aaron Langston 1:12:53

As we go through this project, you're going to see a, I think, a really good opportunity for the trust sell this property. Oftentimes we kind of struggle with, is it better to just sell the property, or is it better to go into long term deal with them, where we get a percentage of the revenue share? This is one, and Greg will be able to go into this a little bit, but this is one where we feel that is its best interest to actually just sell the property, and primarily that is because of the soils that are up there, the hill sides that they're dealing with, and zoning issues, which will be a little bit complicated, but St George city hosted this property, or at least a fair amount of this property is currently zoned as horse property. So as is, it's not worth a lot of money just under that zoning. So this will require some work with Saint George city to get it to what it needs to be. So having said that, if this were to be a normal development project, we would go through rule eight. I'm sorry, it's rule R, 50 dash, 140, dash, 600 just kind of generally speaking, that's where we will go out release an RFP with that. We'll get, usually, several offers, and we have those terms more or less defined, and that we bring those first the real estate committee in it to the board, if it's approved, that actually authorizes us to kind of dive deep and figure out all of the negotiations, kind of in line with what the RFP and then we come back to the board for a second time so that we can finalize the actual as it's in the contract. In this instance here, because we are recommending a sale, there are no further terms to negotiate. So we will be requesting waving that, waving that in such a manner that we can just finalize the day as presented, which will allow us to sell the property. Are there any questions or comments on that? I don't know if I made that very clear or not.

M

Mike Nelson 1:15:21

So has this been before the real

A

Aaron Langston 1:15:22

estate committee? Yes, this was before the last real estate committee. And yeah, so the real estate committee has reviewed it. Have some discussion in there, which I believe we

D

Dan Simons 1:15:35

captured in the in the

A

Aaron Langston 1:15:37

chats, but we'll be happy to go over any of those discussions as well.

**B****Brian Tarbet 1:15:43**

I just list the additional offer in the appraisal process that was made,

**A****Aaron Langston 1:15:49**

oh yes, and that's part of the presentation. So Greg will be able to go into that. And oh, he's going to do, yeah, he'll, he'll go deep into that. So we'll be able to flesh out all of those details. So with that, I will turn the time over. Greg, presentation, perfect.

**G****Gregg McArthur 1:16:05**

Thank you. Aaron, thanks for thank you for teeing me up. Good, good morning. Board, board members and acting chair. Harris, so happy to tell you about this cell. So it's the fossil hills. 65 is what we're calling it. 65 acre parcel. Show you right here where it's located. So it's here in St George. It's on the south end of St George. Right along the west side of it is River Road. And then right here just to the north is Brigham road. So Brigham road goes over, and it's exit four on i 15. So this is Bloomington. Right here. To the south is the Fort Pierce industrial park. Then when you get over this hill over here, little valleys over here on the east side. So to give you an idea where it is, so this is the parcel that we're looking at selling. As you can see, this is a big hill right here to the east of the parcel. All that has been mined, and that's because this whole hill is a bunch of gypsum. So this is like a gypsum filled Hill, and they've been mining it on that side. They've also been mining it here, down on the south, on our parcel as well. So this mining is ended, and it was not allowed by the city any longer. But that's kind of just to give you an idea of what this parcel is and where it's located. So it's 65 acres large. So here we used to own all the land around it. We had about 265 acres, and we did a master plan on it. Back in 2005 we called it the fossil Hills master plan. And I'll just tell you a little bit about the master plan that's currently in place on it. So if you look the dark pink so right here along river road, that's high density housing, and that is all built, so that's done, and in place to the north right here a little bit. This is this orange stuff. This is townhouses, and this is built up to the property line right here of what we're looking to sell today. And then the gray down here in the parcel that we're looking to sell was intended and is zoned to be equestrian property, that that won't move forward because it's a hill. I don't know exactly what happened there, but that's how it is zoned right now. And then all this light purple stuff, or pink or light purple, that's all open space because it's hillside, just a bunch of hills here. So that's the area around it, and what's going on around it, everything that can be built as part of this master plan outside of this parcel is built and it's sold. So I'll give you a little bit of history on the parcel. So we got it entitled in 2005 with the city in 2006 we had our developer that wanted to do this pink stuff, the high density. They came in and made an offer, and they bought 13.5 acre acres to do it. They started working on it, and they found, as they were doing the excavation, that they went over budget by a million dollars because the soils were worse than they thought they were in the area. So it's not a super good land. It has a lot of gypsum. It's tough to develop. So that's why I put that history in there. Here's some relevant history in 2015 quality development who is offering on this 65 acre parcel. They purchased the 91 acres to the north. So I'll go back up to here. So they purchased all of this parcel that's to the north of this. They had intentions of doing the town, the townhouses, so which they have done. So these are completed. And they thought they bought this 91 acres, the majority of it is open space, and then they had this 10 acres to do

townhouses, which they have completed. At the time, they provided an access point to the 65 acre parcel that we're talking about today. And they asked and asked for and received from the board of directors or trustees the first right of refusal to buy this 65 acres. The discussion, when you go back and look at the minutes, was, well, we're providing an access point. We're providing all of the utilities that go up to it, and it is very hard to difficult or very difficult to develop. And so. So it was granted that they could have a first right of refusal, which just basically means, you know, if someone makes an offer, they can come in and have the opportunity to match that offer. That's what that is. So through 2015 to 2025 on this 65 acre parcel, we received no bids in June of 2025 quality development came back to us and said we'd like to purchase that 65 acres for six and a half million dollars. And they said, This is our highest and best offer on it. We've done our homework. We can't offer anymore. So if you go get somebody else then and they come above it, then that's totally fine. We won't offer again. And so we said, okay, that's that's a good offer. We'll put it out. Now, the way we wanted to put this out is we wanted to make sure that this was advertised very well, just because of the nature of it's sitting right in the middle of St George, and it also has development issues. It's a hillside, so it's not like it's just flat, easy to develop property. It's a gypsum mountain, so we want to make sure that we advertise it in a way that could get the true value of it. So we hired nei Excel, and we use Neil Walter, who's the broker there, and they're one of the biggest, best commercial brokers in southern Utah, and we had them advertise it to the right people. So they mass marketed it, but they also individually met with every single one of the groups that would be able to develop this so all of the excavation companies in southern Utah and said, Hey, this is available. And give us your best offer on it. And any if we would have taken any offer that we got that was over 6.5 because that was the highest and best of quality development. And so after advertising extensively for four months, and they did a really good job, and did get in front of all of the excavation companies, we received one offer back, and the highest they would go, we got a \$6.2 million offer. So with that, we were pretty assured that the offer that we got from quality development was good. We also, Oh, there's one additional thing that I want to share as well. So there's usable acreage in this parcel, and there's unusable acreage, again, the majority of it is hillside that sits with steep slopes and is above the water pressure. You can't get water pressure up that high. And so we appraised it that way, knowing that what's usable and what's not usable. So usable acreage is 28 unusable is 36 in the beige area, you can see there is the usable acreage. And so we got an appraisal based on this, and the appraisal came in at for the for the useful land to \$210,000 an acre, or little under 6 million. And then for the just in util land, 15,000 acre or 550,000 so a total combined value of 6,545,000 now this appraisal we did completely independently of the offer that we received. We did not share any information on what we were being offered on it and and we think the comps that came in for it were very relevant. We thought they did a great job. So it shows that quality development did do their homework on what they could offer on this independently of us. So it justified their offering price to us. We think they're a good company, because they're an excavation company that we've worked with quite a bit. So we know that they can develop this and they can close their offer was cash, and they would close within 60 days of getting approval to buy it. So that's how we got to the valuation that we're ready to accept. I reached back out to quality, and said, you've offered 6.5 appraisals. Six 545, will you come up? And they said, Yes. So that is now their offer, 6,545,000 so again, close in 60 days. I feel like for this parcel, because it is a big gypsum Hill. It's very difficult. I think this is a great sell and a good purchase price for us on this parcel. So as Aaron mentioned before, so that's the history on the parcel and how we got to the offer and where we're at, as Aaron mentioned before, typically when we go above \$5 million it's a major development transaction. So we usually come back two times. In this case, we we would ask or recommend, we're happy to bring it back if you would like, no problem whatsoever. But we don't have anything additional to negotiate with the buying group. It's a direct offer that we have verified through an independent appraisal and

comprehensive marketing efforts. So we think, in our opinion, in this case, it would be okay to approve this in a one step process, and that would be our recommendation. So I put a recommendation for an approval, and with that, I would be happy to answer any questions on this parcel. I. Any questions from

B

Bryan Harris 1:25:07

anyone the Mike Johnson, any concerns with being a one step process from your perspective? No, right. I'll entertain a motion,

D

Dan Simons 1:25:22

Carol, motion to accept staff's recommendation that would make a sell on this property noted in the book, second.

B

Bryan Harris 1:25:31

I'll second, second by for sure, all in favor.

D

Dan Simons 1:25:36

I make a comment. I appreciate the fact that staff didn't give the appraiser any information on that. So often we get accused of appraisal is, you know, instructed, so the fact that it came in that close, I mean, that's homework that they did ahead

A

Aaron Langston 1:25:54

of time. They don't always come in that close, so they don't unuseful. It's good

D

Dan Simons 1:26:01

that came in I would have had a little harder time. So good job. All right.

B

Bryan Harris 1:26:12

Item, 10 B proposed oil shell, Oba, ml, 54691, in Uinta County, 5260 acres. Relinquished, and 8000 under 60 acres consolidated with red leaf resource. Chance, yeah,

C

Chanse Rinderknecht 1:26:34

I am not able to drive so apologies if there's any disconnect or whatnot, but I would just say Next slide. So that's one of the downsides of being out in Bernal, is I'm not able to drive but Andy, would you mind taking over for me? Thanks so much. So, red leaf resources is a partner that Silla has had for a very long time, in fact, before I took the oil shale portfolio. Andy had worked with him extensively, and has a really good relationship with him as well. So this Oba has been a long time negotiation process. They for those who are familiar with oil shale, it is extremely, extremely difficult to extract. It's a it's a commodity that Silla has a great deal of, and there is absolutely a lot, just a plethora of keragen and hydrocarbon there. But the process to extract it is extremely expensive. It can be dirty. It's there's just a lot of different things that need to go into this. They have to do it either a surface retort or a subsurface retort. So it's very difficult, and red leaf has been at it for a long time. They're continually making progress. And so in order to what they feel to really spearhead and to continue on, they have decided that they want to consolidate their their their acreage block. They have a tremendous acreage block, but they want to consolidate. So they're going to relinquish leases and consolidate into their core acreage. So this is a map that they sent us. The blue is what they're wanting to keep theirs, and the reason that they're wanting to keep it is because there's not as much overburden the resources at the surface. It's easier to to extract, it's easier to retort. And so everything that you see that's kind of in that reddish brown box, those are leases that they are going to relinquish. And so they're actually relinquishing their current leases as well. And then this, this new stated lease, this new lease will be a brand new lease, starting from from the execution date, so they will have a fresh clock that they will be able to take and to work with. They got to where their portfolio had multiple expiration dates with different primary and secondary terms and different things. So it was really kind of a headache for them. It was kind of a headache for us. So this was a really clean break. We're able to start over on their core acreage where they're able to and where they feel like they're going to be able to extract and retort this resource. Go ahead Andy, so these are the relinquished leases. There are some on Seabridge. There's some on holiday, as you can see. And then the consolidated leases. I've been out there quite a few different times. It's it's a really cool resource, it's a cool area, and they really do have a good operation that's going on there. And they, they have a, kind of a proprietary method to retort this, and they're excited about it. They're excited to actually be able to prove it and continue onward. They've had some background work in in Brazil. They've got new investors that are, that are coming in, and so they're excited about this process and what we're able to work with them. Go ahead Andy, so here's just another map. This is our GIS map. So this is what we'll be on the lease again. You can see where we're at. We're in southern you in a county here. With this, with this acreage block. So the Oba terms that will we will start with the 10 year primary term. The bonus payment will be \$4 an acre Upon execution. And then there will be a \$4 an acre rental upon the anniversary. The production is a a sliding scale production. This will allow them to get it into production and continually produce. And so upon the first 40 million barrels, it's 2% and as you can see, it's kind of a linear scale there. The next 40 to 200 million barrels is a sliding scale from two to 10% on production, and then the final oil that's produced will be a 10% and so again, this is going to allow them to put their money where it needs to be, in in the actual ground. So we're able to get production and so we're able to

actually get production royalty from this resource, which we haven't had in the past. So we're going to have them put their money in that process so we can get out that that royalty, I'm so one of the things that we were very strict with, and we negotiated very heavily with them, and they were very amiable to these, is benchmarks and things that we want to see from them as they're progressing forward. You can see here on the right, this is just a screenshot of their current operations. And again, there's a really good resource here that's that's not been tapped into, that's not been able to be produced. And so red leaf has provided a plan of development which is going to be looked at by Andy myself every year, to to look at see how they're meeting these benchmarks. If they're not able to meet those benchmarks, then we were able to have a meeting with them and see where we are. And so, as you can see, and this isn't even the entirety of their plan of development, but we required that. And they were again, they were amiable to it, because they want to progress. They want to be able to see that that production.

**C** Chanse Rinderknecht 1:31:55  
So, in fact, this this pod goes into 2050

**C** Chanse Rinderknecht 1:32:00  
we're obviously looking more at 2026 to 2029 we want to make sure that we're able to see these, these benchmarks met, and that's why we put this work expenditure in in the lease.

**B** Bryan Harris 1:32:13  
Go ahead Andy, can I ask a question on that back? So let's go back one slide. So, so you're going to monitor this, and so they're planning on spending \$60 million next year

**C** Chanse Rinderknecht 1:32:24  
for you. So that is, that's correct, yep. So we again,

**B** Bryan Harris 1:32:29  
if they don't do that, then

**C** Chanse Rinderknecht 1:32:31

we're able to have another kind of a meeting and see where they're at, if they are, if they are in compliance, if we see that they're not progressing forward, then we are able to terminate the lease. Obviously, we don't want to do that. We hope that they're able to, we're able. We're HOPE, we're hopeful that they're able to meet these benchmarks. But these are benchmarks that they they set for themselves. And so this, this was not necessarily pressure from us. These are benchmarks that they feel like they could meet. And so these are things that we are going to meet with them about, good question.

**i** 1:33:13

I'm trying to advance it, but that's all

**C** Chanse Rinderknecht 1:33:14

right, there's always, there's always some type of technical difficulty, you know. So the benefit to tla, obviously, we want to generate revenue for our beneficiaries and red leaf right now, red leaf is one of the only oil shell operators, so they give us the very best opportunity to get that into production. So we get continued revenue through rentals. We obviously get the bonus payment. But really what we want is that production, and so they have an in depth plan of development that gives us a clear path towards that. They have that active oil shale exploration, and again, we've been partners with red leaf for a very long time, and we get to continue that and kind of monitor their progress towards production. So if there's any other questions, I'd be happy to answer those. If not, I would, I would just move to Yeah, go ahead. Yeah. Dr Nielsen, yeah.

**D** Dan Simons 1:34:03

So you said they they have a new process. Is it a totally new process or development? Previously?

C Chanse Rinderknecht 1:34:10

Nope. Good question. It's it's a retort, but the way that they do the retort is just a little bit nuanced. It is proprietary. I can't get super into the specifics, so usually you'll have a retort, and retort just means it's oxidation, it's heat without oxygen, so it doesn't burn. So they do a retort, either in the subsurface or on the surface. They are at the surface, but the way that they do it is they kind of use the carbon, a carbon capture type of technology, as well, and then re inject that carbon into the the retort. And it's kind of speeds up that retort, and it's been shown on a small scale. They're they're wanting to to show it on a large scale to to help produce this good question,

D Dan Simons 1:34:49

has this process been used anywhere else?

C Chanse Rinderknecht 1:34:52

So currently in Brazil, so one of their their sole owner now is actually based in Brazil, and the resource is just a little bit different. Current, but they have been using it in Brazil. Thank you. Questions,

B Bryan Harris 1:35:13

I'll entertain a motion. Mr.

J John Baza 1:35:18

Chairman, I moved to approve the obi under the terms described and allow staff to move forward.

D Dan Simons 1:35:28

Is there a second? Well, second, second.

**B****Bryan Harris 1:35:32**

Dr Nielsen, are there questions or comment? All in favor. Thank you so much. Thank you chance. Hey, Tennessee proposed limestone exploration agreement with option to lease a, 15, 4671, Andy,

**A****Andy Bedingfield 1:35:59**

thank you, Mr. Vice Chair and Board of Trustees. This is, this is a limestone exploration agreement with option to lease police manager for this is Drew Bonner. He's out of town this week. So that's me with presenting it word here. These are lands down in Washington County. You can see on the map here that it's just east of hurricane. So if you're going from Hurricane Zions National Park, you're on the road to the north. And don't go by this parcel if you're going from Hurricane down to Apple Valley. That's what cuts through these parcels. So it's just up above the bluff. There it is managed by Greg MacArthur in our in our Washington office Drew has worked very closely with Greg on this lease. And I should also mention that the applicant, Western rock was subsidiary state department we have here in the room in the past, in case there's any technical questions for them. We've had a long I would imagine staker Parson probably has the most sand and gravel permits with TrustLands in the state. We work pretty closely with them on our material permits. The St George market has been tough. As you know, there's lots of sandstones, there's lots of basalts. They're very beautiful and they're fun to hike on, but they make terrible road materials. This is an effort to find competent limestone. They've done a little bit of testing out there. Initial tests show that it would meet specifications. So they're wanting to do further testing and potentially develop this resource so I should, I should mention too, that, because we've worked very closely with Greg McArthur on this, there's been some challenges from a development standpoint. On this parcel, we don't have access off the state road that passes through it to our lands, and the grading is difficult too, and so part of the advantage of this project is to do kind of a mass grading on the project, get access to the project, to make that part, those parcels, more attractive to develop in nature. The exploration term is three years, with a 10 year lease, executable with a \$10,000 bonus. The annual rental is \$10 per acre with a minimum royalty of 5000 per year. Royalty rate is \$70 sorry, 70 cents per short time. And let me maybe just explain, 70 cents I don't think Mr. Boss's sprite is probably more than 70 cents. So it seems like not a lot. This is, this is a bulk material project, and most of the cost, if you're ordering aggregates for a project, most of that cost is in shipping and trucking it from the mine to the site. And so the royalty of 70 cents per ton sounds small, but it's usually around eight to 10% of the cost of producing that aggregate. With that that's the end of the presentation. I turn it back to you. Vice Chair. Got

**D****Dan Simons 1:39:22**

any questions for Andy questions? So there's no existing access to this.

A Andy Bedingfield 1:39:30  
There's not off the State Road, no.

D Dan Simons 1:39:32  
So it'd be a private

A Andy Bedingfield 1:39:36  
Yeah, and part of this, part of this project will be getting that access, but also grading the land to allow for that access, because there's some steep slopes there need to be over colorful that

D Dan Simons 1:39:47  
is that road across privately owned property. The road, well, the

A Andy Bedingfield 1:39:50  
road is on the u dot right of way it passes through our parcel, so just a matter of us working with u.to get legal access. Access, and then physical access through the mining process.

D Dan Simons 1:40:04  
And does steak or have in mind the cement plant, this limestone?

S Speaker 3 1:40:08  
Or do you know, I would ask that to James Newman, concrete batch plant.

J John Baza 1:40:15  
We do want to at least supply our we are hopeful to supply our batch plant in the future with some of this material, but we need to do more testing

B

Bryan Harris 1:40:28

to actually see whether or not it will pass. Would it be outside, or the batch plant outside, or different location?

J

James Newman 1:40:36

More than likely, we haven't. Well, actually, I'll just say we haven't gone that far. We have to first do the testing to see whether it would fit. So is, is

B

Bryan Harris 1:40:45

the limestone on the surface, or is it, is there overburden you need to remove,

J

James Newman 1:40:49

like overburden has been less than 10 feet, in most cases, less than two so it's almost that much. So the testing

B

Bryan Harris 1:40:57

is just to determine the quality of the limestone.

J

James Newman 1:41:00

Yes, we've only been able to do very minor, non intrusive methods so far. This would allow us to bring in our Sonic rig and do further testing and drilling,

J

John Baza 1:41:15

either questions. Just had a question of process. Andy, so we're approving an exploration agreement three years then you've got terms of the lease here, so which you just enter into the lease after the three year period would come back to the board for any reason,

A

Andy Bedingfield 1:41:34

the lease itself will be an appendix to the exploration agreement. So it will not come back to the board. They'll just have that lease that they can execute after they've met the criteria, the exploration and then the bonus, and then they sign that understood. Thanks. Good question. All right, if

B

Bryan Harris 1:41:55

there's no other questions, I will

B

Bryan Harris 1:41:56

entertain motion. I will make the motion to trustee barber just a little bit before you, Trustee of game shows. We do need a we do need a second if my buzzard, Mr.

B

Brian Tarbet 1:42:13

Vice I moved to approve ml, 54671, dash, Oba on the term set forth in the board memorandum and have the agency take all further actions necessary to finalize the transaction,

J

John Baza 1:42:27

I will second. Thank you both. All in favor, aye.

B

Bryan Harris 1:42:40

All right, moving on to item D, proposed lithium on Ash and mineral salts. Brine exploration agreement, option to lease Oba ml, 54688, in Tooele and Box Elder counties. Tyler, yes, sir.

T

Tyler Wiseman 1:43:01

Boarding, board. Be with you. Alright? So, so this year. So this is a exploration agreement. Three year exploration agreement, the option to lease. Company is an Australian junior mining company, White Plains Corporation. It is active all throughout Australia as well as South South America and in the Western US. So just to orient you to where we are in the world, so this is on the on the map. On the bottom left is the star that kind of orient you to where we are. So it's right on the boundary between Tooele and Pasley County. And what you're seeing on the larger map is that the green parcels with the little triangles that is the the Oba proposal, those are the

lands. As you can see, some of them are fully colored in blue, and some of them are not. And that just means that we own the mineral estate only on those ones that are not fully blue on the surface. So primarily in the north part of their project area. This is the pilot Valley. So it's known for its potash resource, which was kind of delineated over the years, but there was a company in 2010 that really kind of proved it up a little bit more. There's not a Reserve Base. There is a resource base. And those black try like little rectangles are unpatented, unpatented mining claims that the company has staked. So you can really see where their project is focused, is in that northern area. But they do have some, some unpatented Mine claims. Times to the south, and those were used for shooting geophysical work across the basin to kind of get a good base and analysis of the pilot Valley. So the overview, this is just under 6000 total acres, which are 100% schools. Is the beneficiary, as as I mentioned, this is a three year exploration agreement with option to lease with contingent on completion of work commitments, annual progress reports and an Australian joint or reserves committee resource report, which is the ni 43, 101, equivalent in Australia. So they would earn the option to lease for a 10 year primary term after that, and then the annual rental for both the exploration term and the lease term would be \$4 per acre, \$5 or 5% gross royalty on potash and other mineral salts, which is our standard, and then the sliding scale variable gross royalty of one to 5% on lithium based on the published spot price per kilogram. This is similar to the Anson a one lithium Oba that was this royalty structure for lithium was very similar to the it's exactly the same as the Anthony one lithium that was proposed and accepted by the board in 2025 this Oba will have a Pew, pew clause during that only producing acreage is held by the lease. So if they have, if they find the resource in one area, primarily in the north and not so much in the south, the Oba would contract down to the producing Anchorage. It's what a Pew plot. This is just an overview of the lithium royalty structure. This was again taken from the Anson a one ova. So basically, barber royalty rates, their payments have changed based off of market conditions, primarily used for volatile mineral prices. So lithium is an emerging market in the United States. It's primarily been mined and processed and more developed in China. So this is an emerging market in the US, and under the 1872 mine law, there is a 0% royalty associated with it on federal lands. So we are, in a sense, competing with the federal government out here. We've held multiple meetings over the last few years with various companies and organizations, specifically Exxon Mobil and standard lithium in Arkansas to kind of see what a lithium royalty structure should look like in the state. We've also met with the fortune fire and state lands here and some other organizations and have come up with this, this structure that seems to work. And this has been done 2025, as well. So the rationale this company, they're really the only logical company in this area since they walked up over 15,000 or just about 15,000 acres of the adjacent federal lands in the area, they're successful. They're actually active in South America, doing a similar lithium exploration down there in the lithium triangle. And they, yeah, they're active in this area. They've already done basin analysis studies. They like the the land position that they have, and they want to, they want those additional lands to the south to delineate the resource for staking a whole bunch more claims and building up their project. This was reviewed by the energy and minerals Committee last month. Mr. Bozza was the only one present there, but the other committee members have been given the opportunity to questions and review the board memo and the many memo as well. So that's all I have. If there are any questions, I'd be more than happy to take them. And the proposed motion

D Dan Simons 1:49:34  
is questionable. Some of the are some of these claims, patented claims.

T Tyler Wiseman 1:49:39  
They are not No, these are unpatented in mine. Yeah.

B Bryan Harris 1:49:45  
Just curious, how's it mind?

T Tyler Wiseman 1:49:47  
So it's, it's subsurface brine. So very similar to oil and gas, they drill a well. They'd have a injection well, probably, and a. Production hole. So like two, two holes, and then they would solution, mine it, if they needed to. Or they would, like they do down in fame Creek, if it was, like a bedded salt. But because they're they think that this is a brine they could produce it. It's very similar to oil

B Bryan Harris 1:50:17  
and gas. Do the same on the exploration drill small.

T Tyler Wiseman 1:50:21  
Yeah, they have to under the the work commitments in the board memo, they have to drill on TrustLands in both the north and the south.

B Brian Tarbet 1:50:33  
Questions, all right, I just want to make sure I understand the annual rental. It says three year annual rental, but that's 23k per year, total of roughly 75 then, yes, sir, yeah.

**T** Tyler Wiseman 1:50:45

And then if, if it's option two for the 10 year will be that same rate. Thank you.

**D** Dan Simons 1:50:57

I move that the Board approved mineral, least. 54688, Oba, so described in the literature brief second favor aye taking board member Tyler.

**B** Bryan Harris 1:51:24

Raising assessment rates with Scott Davidson, Scott,

**J** Jim Davis 1:51:38

morning Vice Chair. Harris, grateful to be with you trustees. I'm glad to be joined by Scott Chamberlain, who's the Assistant managing director within the surface group and the guiding hand of our grazing project program. I realize that I'm new to many of you, and if you'll indulge me, I'll just introduce myself very quickly. In the in the spring of 2002 I was stocking sprinkler parts on the floor of the neighborhood Ace Hardware store. A very lucky day. Good luck for me, bad luck for Kim Christie, who came in with a busted up tangle of sprinkler parts. We talked for a while, and as he left, he gave me his business card and asked me to call him. And that led to an internship with me at TrustLands from 2002 to 2005 as I was finishing up my degree at University of Utah, I worked in the oil and gas group underneath Levon Garrison from 2005 to 2017 which was a great experience for me. And then in 2017 Kim opened another door for me, and I was given the opportunity to move into the surface group here at TrustLands and to work on our industrial leasing portfolio. It's also a great experience. I've moved into the managing director of surface position just last fall. I'm grateful to be here, and I will love him, Christie, forever for many, many reasons, I space, the the item that we're presenting to you here is essentially our report on the application of the board approved formula that adjusts grazing assessments on TrustLands.

**J** Jim Davis 1:53:41

Just a bit of history for you. In 2003 the board directed the agency to evaluate grazing rates and create a two tiered rate schedule, one for our high value block lands and another for our scattered sections. We did this analysis and came up with a structure which was approved by the board and was implemented in 2005 that formula did its job, and it brought TLAs rates up and put them between private lease rates and rates on federal Land. Then in 2020 the board approved a simplified formula that tracks private lease rates.

**J** Jim Davis 1:54:31

The current formula takes a three year running average of private private lease rates, which are tracked by the USDA. Our standard assessment is 36% of that three year running average. Our block assessment rate is 63% of that three year running average. There's also an additional 10 cents per AUM weed fee, which is established per. Per code. So applying the formula, the standard assessment is moving from \$7.08 per AUM to \$7.32 per aum. And the block assessment rate is moving from \$12.39 to \$12.81 each of these are a 3.4% increase, and again, with that 10% weed fee on top of those grades, we're happy to take any questions. The proposed motion is there for you as well.

**B** Bryan Harris 1:55:40

I just have one question, are those pictures representative in most TrustLands across the state

**B** Bryan Harris 1:55:48

we might be showcasing, but questions on the rates we have a motion.

**D** Dan Simons 1:56:01

I have a general question, What? No subcommittee. Does this fall under the surface?

 1:56:10

This is surface stuff. Thank you.

**B** Bryan Harris 1:56:16

Anyone here in the surface committee?

**J** Jim Davis 1:56:21

Not Mr. Nelson is That's right, we did not convene the surface committee for this. It being literally a formula. I'll make a motion.

B

Brian Tarbet 1:56:37

Then, one quick question for information purposes. The feds are down here. We're here privates here in terms of charge,

M

Mike Nelson 1:56:51

I move that we approve these raising fees as described. Thank you, Dr Nielsen, is there a

B

Bryan Harris 1:57:04

second trustee buffalo? All in favor. I'll

B

Bryan Harris 1:57:20

move on to the expenditure of capital account fund for acquisition of water rights.

J

Jim Davis 1:57:26

Might have noticed in my recitation of my experience here at TrustLands, it didn't include water. So you'll excuse me if I read from my notes, I want to get this right. We've been looking forward to presenting this to you. The board policy requires approval for expenditures from the agency's capital account of at \$100,000 to be presented to the board. This purchase is right at that threshold, and we wanted to bring it before you. We have the opportunity to purchase a 10 acre foot portion of water right, 61, Dash 1882, which is currently owned by the strawberry Valley Investment Corporation. The water right, is currently in strawberry valley near the Kane County, Garfield County border. I've got a few maps in here, just a few slides in

**J** Jim Davis 1:58:22

sorry. And I've got behind on my slides, but how's that for a shot. This is a year 1879 priority diligence claim. It's currently being used for irrigation just south of Duck Creek Village. This water was not adjudicated under the 1936 Cox decree. This is not a decreed water it is a diligence claim water right, but it has a history of continuous use, and several portions of the original the parent water right have already been sold out of the main water right and have had change applications approved by the Division of Water Rights. Some of those transfers have moved those water rights quite close to our hatch block. We've done our homework on this one. We've had conversations with people at the Division of Water Rights. We've had our newly hired water rights manager, Deon Gardner, look into this. We also had an independent water rights engineer give us an opinion on this. All in all indications are that this is a valid wet water right, not just a paper right, but to further reduce risk, as we've done with other water right purchases, our purchase agreement with Strawberry Valley will make the purchase contingent upon the approval of a permanent change application. No money will be changed before that approval is granted, which is further vetting process by the Division of Water Rights. Slide number five, we love our maps. The hatch block is 13,874 acres. It was assembled 1999, Grant Staircase Escalante National Monument exchange, we saw its development potential. It's close to Duck Creek village. It's close to Navajo Lake, Panguitch lake. It's half an hour from Bryce Canyon National Park. It's bordered on either side by private land and forest service land, it's little quiet spot, and as with any parcel of land in a desert state, its value is enhanced by having water attached to that property. Let's see, oh, the blue dots on the bottom left of that map are the existing points of diversion. Our intent is to move the points of diversion to those orange dots on the hatch block. Utah law says that a water user must maintain beneficial use to protect the validity of a water right. We intend to do this by irrigating 3.3 acres of what are currently fallow pasture land. This beneficial use will be carried out either by our grazing permit T who is there, or by trust staff that will be done using existing wells and pause and so that irrigating of that field will be kind of an interim use, but when the market is ready, we'll file a change to change the beneficial use from agricultural to culinary use. To give you some sense of scale, that 10 acre foot water, right would be enough to provide water for 22 permanent residences, or 40 temporary residences, as might be the case in a kind of a vacation spot like that.

**J** Jim Davis 2:02:31

We've negotiated a purchase price of \$100,000 for the 10 acre foot portion of this water right? Easy math, that's \$10,000 per acre foot. The purchase will be funded out of the agency's capital account. Doing research on purchase of water rights is hard. There's not there's not a great database for that, but we've been able to find some, and we've consulted with realtors and other landowners, we've seen small water rights between one acre and five acres selling between 18,020 \$2,000 per acre foot. And if you talk about a fractional parcel of a water right, like those that are like a quarter acre, which is what you would need for a cabin or a residence. We're seeing quarter acre foot water rights being transferred in the \$20,000 to \$22,000 range on a whole acre foot rate. We've seen quarter acre water rights going for \$5,000 just for that quarter acre foot. Um, right now we only have one water right on the hatch block. It's one that we bought in 2015 the purchase price there was \$12,699 per acre foot for that right. That right is 1.37 acre feet. Purchasing anything involves some risk, but we think this is a good water right at a quite good price. And as I've said, to alleviate some of the risk, the funds will not be transferred until that change application has been approved by the Division of Water Rights

**B** Brian Tarbet 2:04:27

that to the points of diversion, yes, sir.

**J** Jim Davis 2:04:32

After after payment, the transfer the water right will be affected through a special warranty deed, which is how we've done that on other water rights we've purchased in the past that has worked. Well,

**J** Jim Davis 2:04:49

sorry I got behind on my slides, but miss that we're happy to take any questions you have. US also have a proposed. Option here.

**B** Bryan Harris 2:05:03

So, so it's underground water, right? It's not

**B** Bryan Harris 2:05:07

a surface water. It

S

Scott Chamberlain 2:05:08

is both, actually, right? Now, it's part of the one of the diversion points is out of a well. The other one is a spring.

B

Bryan Harris 2:05:18

So for it's, is it is a joint for that amount, or is there a certain acre feet that surface and a certain

S

Scott Chamberlain 2:05:25

it's the water right? Is equal in there?

B

Bryan Harris 2:05:28

Yes. And so in the point of diversion that you're you're transferring it to those are existing wells. So both, both, both wells, or is one of those a



2:05:36

spring? Is what

S

Scott Chamberlain 2:05:38

spring to likely transfer it to the well, because it's easier to transfer it to the well, because that well site, which is the South Orange, is solely owned by us, and it was drilled by TrustLands. So the water that is currently held there is 100% TrustLands, so it'll be easier to move it to some an asset that we have 100% claimed.

B

Bryan Harris 2:06:01

Are you irrigating out of that will right now, or is that going to be a new on irrigation?

**S** Scott Chamberlain 2:06:06

Yeah, so there's a on because the property boundary lines kind of go like this. Someone cut through the TrustLands was irrigating illegally. It was. It was a lessee of the land over owner that less he's moved. So the walk, the field is ready to be irrigated. It just has no legal water for it, and that's what this will so the infrastructure is there,

**B** Bryan Harris 2:06:30

irrigation equipment's there, yeah. So we'll just

**S** Scott Chamberlain 2:06:33

be moving our water right to it and put it to use on that ground, setting fallow. Now make it productive, to make it a valid water right? Then it'll

**D** Dan Simons 2:06:43

be used for grazing to start.

 2:06:45

In the interim,

**B** Brian Tarbet 2:06:47

those activities satisfy the use, yes, just a quick strawberry cell.

**J** Jim Davis 2:06:55

Now, our understanding, and we've we've had to read between the lines a little bit on this, but our understanding is that the in in assembling their portfolio, they find themselves in the strange position of having a little bit more water than they have land to put it to use. They've already sold some portions of this water right out and in very small chunks, and so we're getting a bit of a volume discount buying the 10 acre feet that we're looking to do.

D

Dan Simons 2:07:29

You have competitors? Anybody competing them on besides? No, I don't think we have.

S

Scott Chamberlain 2:07:37

So they've been selling off one a quarter acre to one acre, and it costs them the same amount of money to do go through the process to sell a quarter as it does 10. As I understand they just got frustrated with to sell a quarter off the time that's 40 times they gotta go before the division water rights do that battle. And so they're willing to sell off a big chunk at one time, and and not and just ignore those individual little quarter acres.

B

Bryan Harris 2:08:13

Well, I think it's a fair price, and I think it's a good investment. I think it'll definitely enhance the hatch block. So good job for doing this. I think it's I think it's really good. Do we just need just a motion, or is there something about the capital account? Sorry, I

J

Jim Davis 2:08:30

was just flicking back to the map there. No, I think we're ready for a motion. Unless there are any other questions.

B

Bryan Harris 2:08:38

Anyone like to make a motion

B

Brian Tarbet 2:08:40

move to approve the expenditure of \$100,000 from the capital account to purchase a 10 acre foot portion of water right number 61 dash 1882 and to have the agency take all further actions necessary to finalize the transaction.

B

Bryan Harris 2:08:58

Trustee Tarra, do we have a second? Second? D Simons, all in favor. Aye, opposed.

**D** Dan Simons 2:09:05  
Share, say, I hope we can perform transactions.

**J** Jim Davis 2:09:12  
We're hoping we try to keep our eye out. And Scott has a good eye. This is a water right that Scott found, and we're excited. We're really excited to have Dion Gardner on board, the person that we stole from. What right?


**M** Michelle McConkie 2:09:26  
I also say we also do have, I think at least may adopt that in January, she presented that we have got a committee really looking issues. Right now, it's more and more of a focus, but I agree having Dion and all the talented employee house is really helpful.


**B** Bryan Harris 2:09:44  
Thank you for the end of our agenda, unless Jill Do you have anything else? I have one


**M** Mike Nelson 2:09:55  
comment, if I may, this last discussion put me in mind of the. Thing in mining school in Germany asked me to explain what water rights are, gave up. They couldn't, couldn't understand that there was a place where there wasn't all the water you need. And maybe, all

**D** Dan Simons 2:10:18  
right, just a general comment on when we're looking at the maps, they use their mouse to try to pinpoint something. Maybe I'm blind, but it's hard to see those pinpoints. Is there a way that they could increase the size of that so we can see when they're circling the areas? That would be great.


**M** Michelle McConkie 2:10:37  
Yep, we shall do it for the next meeting. Thank you. There also was a time when there was maybe white and white and white as well. So maybe we'll


 Dan Simons 2:10:42  
look at that as well. Another thing, these are great. They stayed on for some of us a little longer than others. But is there a way to increase that? Like me, I can put my readers on, but I wondered if there's a way that I can just increase the size of the font on the screen.


 2:10:59  
Yeah, we shall do that for the next meeting as well.


 Dan Simons 2:11:02  
Show me how to do that. I think others would use it too. They're just not willing to say

 Dan Simons 2:11:11  
it go down. My display went black just near the end.

 Dan Simons 2:11:16  
Got mine alive. I didn't keep

 Kim Christy 2:11:18  
mine but thank you.

 Bryan Harris 2:11:20  
Hey, I think we have a motion to adjourn. I don't think this counts, but Mike Mauer made a motion at 1228,

 Dan Simons 2:11:29  
Philippines to adjourn.



Bryan Harris 2:11:32

I think we'll redo that motion to adjourn. Do adjourn? Second, second, second. All in favor. Aye, thank you, everyone. You.