

# 06.18.2026 TLA Board Audio Recording

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## SUMMARY KEYWORDS

TLA Board, meeting dates, tour agenda, Principal Burnside, school land trust, community involvement, geothermal energy, public comment, legislative audit, wildfire management, land valuations, mineral exploration, oil and gas lease, development lease, water rights., Development lease, revenue share, unimproved parcels, county approval, water rights, gross revenue, NPV, commercial parcels, retail development, marketability, water shares, Eagle Mountain, Ivory, Desert Color, sustainability.

## SPEAKERS

Speaker 1, Chris Fausett, Alexa Wilson, John Baza, Mike Nelson, Joelette Organista, Scott Chamberlain, Kyle Pasley, Dan Simons, Mike Johnson, Brian Tarbet, Michelle McConkie, Adam Robison, Mike Mower, Tyler Wiseman, Marla Kennedy, Gregg Mcarthur, Imaan Ahmed, Heather Murray, Liz Mumford, Bryan Harris, Jill Burnside

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**S** Speaker 1 00:00  
Ivana

**B** Bryan Harris 00:05  
morning, everyone. We'd like to start our full agenda today. So, we'd like to get going. We'll start out today with the approval of the minutes. The board members had a chance to review the minutes, and you have any comments or corrections to the minutes.

**S** Speaker 1 00:25  
Motion a second.

B

Bryan Harris 00:30

All in favor. Item three: confirmation of upcoming meeting dates. No board meeting in July, and then August 20, and September 17. Please let us know if you're not going to be able to make either of those meetings. Also, just briefly, so we are having a tour after the meeting today. Director McConkie, could you just give us a quick overview of the agenda for the tour, so everybody's aware of what we're doing,

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Michelle McConkie 01:04

so we are planning on boarding the bus about 1130 and we will be going to Utah County to look at several projects in Saratoga Springs in that area, and the plan is to be back in Salt Lake, and hopefully miss the Utah County rush hour traffic, so hopefully heading back around 330-ish and we have more detailed agendas we will hand to as we head out.

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Bryan Harris 01:28

Perfect,

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Bryan Harris 01:31

Marla. Is the principal absolutely okay? Go ahead, do I'm very

M

Marla Kennedy 01:43

excited to have you hear from Principal Burnside today. She is the principal of Grant Elementary and Murray School District. She's been in education forever. I never put years on that for the reasons I hope no one ever puts it on me, but she did have a choice whether to further her career in Logan or Murray, and she decided to go back to Murray, which tickles me, because Murray's got one of the best old main streets in the county, and I love it. So, not to take any more time, Principal.

**J****Jill Burnside 02:18**

Well, thank you so much for letting me hear her today, like she said, I have been in education for a really long time, and because of that, and my different roles in education, I've had the unique opportunity to help develop school and trust plans as an instructional coach, and then helping principals, and then later, now as an administrator, write my own plans, and over the years I have been able firsthand to see how these plans have impact the schools throughout Murray District. I also have had the opportunity to work in Title One, non-title one schools, and I can confidently say how critical these funds are in elementary schools. Elementary schools, as you know, operate with limited budgets because of small student populations, and this leaves little flexibility for many of the things additional staff and instructional resources, and at the same time, elementary teachers, I think, have some of the highest demands put on them to ensure students learn the foundational skills in reading and math, so school land trust funds are critical in helping bridge that gap and providing supports that otherwise would be difficult or impossible to fund the while that funding is invaluable, I believe that the community involvement the trust land structure provides is equally just as important, if not more so. I have had the opportunity to participate in the school land trust councils as a parent, as a teacher, and now as a principal, my current council is primarily made of working fathers whose perspective I may not otherwise hear through the traditional school involvement opportunities. The insights, the questions, and the feedback these community members provide are invaluable as we work together to address the challenges and strengthen our school. I appreciate that school land trust meetings provide opportunities for school community members to engage in ways that they may not otherwise have the opportunity through PTA events or school activities, and that we can work on our school goals of reading and math at Scranton Elementary. 90% of our school land trust funds are used to support paraprofessionals, and we are working directly with students in reading and mathematics and. Um, we are providing targeted intervention and small group instruction, and providing additional support to meet our academic and goals, and providing individualized attention for students. The other 10% of our funds provide resources that direct support students, such as reading texts and instructional materials, math manipulatives, student software programs, headphones, and other technology support, such as, like, mice. Over the years, I have seen the school land trust funds make a real difference for students, and at Grant Elementary, these funds have allowed us to place resources that make the greatest impact, directly supporting student learning and helping every student reach their potential. School land trust funding is not simply an enhancement to our program, it is an essential part of our ability to meet the needs of students every day, so thank you for letting me be here today.

**B****Bryan Harris 06:09**

You for being here, Principal Burnside. We're so glad that the funds are helping. It motivates us to, and all the staff to continue to work hard to be good stewards of the funds and the land, so that we can continue to do this. Any questions or comments? I'll

**M** Mike Mower 06:26

just say, as a parent who had a lot of kids at Murray schools, and I married a Murray High Spartan, kudos. You do a great job at Murray. It's, it's a real, it's a real gem in the Utah school systems.

**J** Jill Burnside 06:38

Great.

**M** Mike Mower 06:39

Yeah, keep up the good work.

**J** Jill Burnside 06:40

Thank you.

**M** Mike Nelson 06:42

I was gonna say the same thing. Four of my kids graduated from Murray High, so my wife worked in the Title One program there for a long time experiences,

**M** Mike Mower 06:53

and I will just say, as an added note, so because it's America's 250 we need to learn a little Utah history. Murray was named after territorial Republican Governor Eli Murray. Emory County was named after territorial Republican Governor George Emery. And when my wife and I were dating, I said, this is a sign we are to marry the only people that graduate from high school that named after dead Republican character.

**M** Mike Mower 07:19

That's not a sign, and we're both Spartans, Emery Spartan, Murray, it's not a sign, Liz, I don't know what is, yeah, so keep up the good work at Murray, thank you,

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Bryan Harris 07:32

thank you, all right, we'll move on to our social media minute with the let oh

J

Joelette Organista 07:44

So last month we talked about the geothermal part one video, so this is the part two video

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Speaker 1 07:52

I Hey,

J

Joelette Organista 08:04

welcome back to What the Heck Happens on Utah Trust Line today. Stage two of geothermal energy. Remember this drill rig, it goes deep underground to find super hot rock, but how do we turn that into electricity? Well, we've got some really cool plants. No, not these plants, these plants, power plants. It's called the Enhanced geothermal twist. They inject water into the hot rock. The earth heats it up like a giant underground radio. The water comes back up as steam. Steam spins a turbine. That turbine turns a rotor inside the inside the generator. Magnets pass coils of wire that produces electricity. In summary, steam turbine generates power. Yep, that's geothermal energy happening on Utah Trustland. Hey, so very quick video again talks about geothermal. We, this is when I went with Chance to Utah Forge. It was really fun and interesting to see again how geothermal is working, all the classes of how you know how it generates electricity. I've just learned a lot about geothermal, and I hope people that are watching this video are also learning about the process of geothermal, and that's what I have for you today. Any questions,

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Bryan Harris 09:11

Gillette? That was great. We all need to learn more about geothermal. It's be part of the future, we hope I

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Speaker 1 09:23

Okay, we'll

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Bryan Harris 09:23

now move into our public comment period. Trust lands welcomes comments from the county advisory committee, the public, and other interested parties. The board has allotted 15 minutes for public comments. Each presenter is permitted one opportunity to speak and may provide remarks for up to three minutes. Members of the public of the public participating electronically, who wish to comment, should use the raise hand feature during the Zoom meeting. The boards, the board meetings public comment portion is not intended for question and answer discussion. Trust land staff are available for dialog outside of board meetings, so we will, we'll start with. Public comment for those that are present, but I'd just like to find out how many people online there are online that maybe would like to make public comment. Vince, can you can you tell us if anyone's online would like to comment? I don't have anybody online. Is there anyone in the room that would like to make a public comment that was really quick? Okay, we will close the public comment period. Chair, chair report. I don't have a long report, but I would make a couple comments. I'm coming towards the end of my tenure on the board, been almost six years, and a couple observations. I been very impressed, and very thankful for everyone that I've worked with here in TrustLands. I don't know if this would be a farewell speech, because I'll probably back to the next meeting. I don't know, but I would just like to say that everyone at TrustLands that I've worked with has been very professional, very focused on the mission of TrustLands, which is to bring the most value that we can to the beneficiaries, and every really every discussion, every meeting I've had for the last six years that has been, that has been the focus, and I've been been very impressed with that, and and it's just great to see that everyone is mission driven here and they know what they're supposed to be doing and that's great also just so one point that's just really that's really come to my mind lately is how important in addition to creating this value for the beneficiaries, TLA is also so important for the state of Utah, specifically for all the infrastructure development that's happening in the state, and key role we play in all these developments, and it's been fun to see that, and how important it is, and I think it's one important reason why Utah's economy is doing so well, is because of the work that staff and the board does here. So, thank you. Thank you all.

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Mike Mower 12:32

mr. Kyle, quick comment. This is not your farewell, but I just want to highlight how much I oversee boards and commissions for the governor, how much we appreciate our board members. They're all here as volunteers, they all bring a wealth of knowledge and peace, and I appreciate especially that you're driving all the way up from Beaver County and back for every meeting. I mean, that's a real significant contribution of time, in addition to your day job and in your community service that you're doing. So, on behalf of all the Trustland kids and beneficiaries. Thank you so much for your extra commitment and windshield time you put in, in addition to the expertise you bring to your role. So, thanks.

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Bryan Harris 13:22

Alright, we'll now turn the time over to Deputy Director Michelle McConkie for the director's report.

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Michelle McConkie 13:28

Thank you very much, Chair Harris. I echo your words. How work with really great people who certainly know what our job is and what our mission is, and we also do appreciate all of the time that is spent, you know, Trustee Simons also drove up here from Saint George, so we, and sometimes coming from Davis County, as someone who lives there, I know, can really appreciate all the time that's put in. A couple, I want to touch on one thing really quick, and I'm actually going to turn my time over. We're going to switch up A and B on the agenda, really quickly, though. I wanted to let you know that Spencer Moffitt, who will take Chair Harris's position, and Kelly Williams, who will take Trustee James' position, were both confirmed by the Senate yesterday. So we're excited to work with them, going to miss those who are leaving, but excited to work with them as well. So I will get back to doing a progress update, this is something the board had asked me to do on the 2024 legislative audit, and I apologize for not being able to do it last month. I made it to my daughter's graduation on time, though, so it worked out for me, but I'm happy to be able to talk about that. But first, I wanted to talk about some really amazing work that gets done in this agency that is often not seen, those of us in the agency even sometimes don't see it, and it's something that I actually tried to highlight last year about the legislative session, and we have had some internal lunch and learns, but we wanted to bring this information to the board as well. So I have Adam Robinson and Scott Chamberlain, Adams at our price. Office, these are our forest manager and Scott Chamberlain's assistant managing director down in Richfield, and they're going to talk about the program, the stewardship programs we have, taking care of the range, taking care of the forests on trust lands, and how this really, really great management that we do helps to protect this land and helps the long-term health of it, and they just do amazing work. So, we wanted to highlight them. So, with that, I'll turn it over to Adam and to Scott.

S

**Scott Chamberlain 15:31**

Okay, so we're going to focus on wildfire, particularly, and we've been doing a lot of projects over the years, and I'll start off, and so you may ask, why do we do it? Well, first of all, these lot of these projects, they seem costly until you look at suppression costs. The Monroe fire last year was over \$103 million that's \$1,500 per acre, and you still have to go back and rehabilitate the ground and all the infrastructure, so being proactive helps, but more importantly, safety to persons and property. You look at that Milford flat fire, this is Utah's biggest. A lot of trust land burned up in it. There was two fatalities. It shut down I 15 multiple times and really impacted a lot of infrastructure, including some major power line transmissions. Then another one we like to do these time to these types of projects on our own timetable, not what Mother Nature dictates to us, and we like to design it how it fits our needs and wants, again, not high what Mother Nature dictates to us, and PRs, it's good PR, so some of our tools, of course, there's grazing, I put a streets there by forged practices, that's Adams Forte. It's a very time-consuming method, and it takes a lot of expertise, but we do bull hogging, chaining, and herbicide there. I'll highlight it. It's the new lot of new chemicals out there that allowing us to really treat some of the vegetation that's very flammable. Now, this here, this is database from the WRI, or this data is out of the WRI database. We do a lot of projects over the last 20 years. By no means is this all of our projects, but this is representing acres treated on TrustLands. It's listed by treatment, and I better put a kudos and a big thanks out to Brady Johnson, our GIS guy. He's the one that helped me get these numbers. Well, not help me, he got the numbers, everything above that middle line, Watershed Restoration Initiative. Sorry, it's one of those acronyms I get used to,

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**Michelle McConkie 17:34**

and it's a do it's a, it's a state program, it's

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**Scott Chamberlain 17:36**

a state program a lot of agencies pool their money into, and we get a lot of projects done because we can then work across land ownerships without worrying about whose boundaries where that middle line there is everything above that is a type of project that helps reduce fuel loads or fires a lot of them are designed for other purposes like habitat or watershed, but these at least are also helping with our reduced fire. You look at it, we've chained in the last 20 years, and remember this is just what's in that database. There's other acres, 41,000 acres, we've bull hog more than 23,000 66,000 acres of that hand crew that's lopping scatter lot, that's some of that isn't so much fire, but some of it's very much fire reduction.

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**Mike Nelson 18:28**

This is 20 years represented here, and

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**Scott Chamberlain 18:32**

just in that one database, so there's there's others. I threw in a had to throw in a picture of what good grazing looks like. Both sides are equally healthy, but one side is more apt to burn. This map here is from that database that I was talking about, the Watershed Restoration Initiative. The Big Blue are projects done on the ground that have some TrustLands involved, and maybe small amounts or significant amount of acreage done, and once again, Brady Johnson. Thank you. And this is just showing some of the different practices by color. The pink is like chainings. And now I'm going to hop out on the Hamlin Valley. Mr. Harris may recognize this area. It straddles the Beaver Iron County line right along Nevada, you see there's a lot of BLM ground, but they've had problems politically. So, I've.. here's an aerial view. You see those lighter spots? Those are treatments. The real dark areas is very thick vegetation. When a fire happens, it's going to take out the whole mount. So, we've been trying to break up the pattern of.. you see, that was.. whoops, I don't know how to go back with this one. There, okay? So you toggle back and forth, that is, trust lines have been treated out there, and primarily for fire reduction, and part of the reason is, is you get out there in an understory, there is no understory, the trees have choked out. Thing is, when this burns, it is catastrophic. It does not recoup very well. So, early prevention before the fire happens is best. Tabby Mountain, this is on the east side of Tabby. You look on the right-hand side, there, Duchesne County has had a lot of cabin building there. They're very nervous about what happens, very limited access in and out on top of the mountain. This is in 98 You look at the dark, unfortunately it's black and white photo, but you look at all that dark, that's very thick timber, and they're really nervous about a fire happening on us. It's high elevation, a lot of people like camping there, and it's also gets a lot of lightning strikes. So, over the years, you look at, look at the color change there, that is the timber that's been removed. The atom has been able to remove a lot of timber and make a profit off it. And now we've been doing more and more projects, specifically for the health of the forest, more than income. Both are healthy, but you get the end results, which are just amazing. When we're done, you got a good, healthy ecosystem, and that's fire resistant too. Adam,

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Adam Robison 21:07

thanks, Scott. Um, I'm going to talk more specifically about a wildfire incident from last summer, and how active land management prevented a devastated situation from becoming much worse for trust lands and possibly surrounding lands, which is the Deer Creek Fire. Some of you may remember hearing about or seen something on this last year, wherever. So, the location of the fire is southeast of Moab. Let me grab the cursor here, working still pointer at there. We go, Moab is here, Spanish Valley block here, and then you have the North and South block of those Souths, and this is the footprint of the fire, Colorado borders right here, and this little X right there is the point of origin. Little information about the fire started on July 10, it was human caused nearly 18,000 acres, destroyed several structures, and the suppression costs for about \$24 million which translates to about \$1,350 per acre. Conditions at the time works consider were extreme, and some would consider, or would say, even explosive, very high fire danger situation on the on the 12th. We experienced an unusual weather event called the Pyro Vortex, aka Fire NATO, not quite as an EF two hour, and actually was the, I think, the second largest tornado ever reported. Pretty, pretty extreme weather conditions, for sure. The winds intensified the rate of spread, pushing the fire towards trust lands. Fire intensity was too high for fire crews, forcing them to pull back as the fire continued to make good runs to the north and east. As we watched the fire cross over onto trust lands, we noticed a behavior change, the fire didn't completely lay down, but it slowed down enough, it reduced enough to at a manageable level, allowing crews to return, putting pressure on the fire and they were able to hold it within the containment lines and so we're going to, we're going to look at a little bit of why that is, so here's an example of two different outcomes, so when the smoke cleared, the effects of the fire clearly had two different outcomes. The devastation you see in the picture on the left is a result of passive management. The picture on the right is a result of proactive management. You can see proactive management, management definitely full, but it's a favorable outcome, and is proof it can be achieved in the most extreme conditions, and that's really what we had in this situation, and specifically on those cells, you know, we have been very proactive in our forest management on. These two blocks, for decades, we've been working at improving forest health, not only has reduced the risk of wildfire, but has enhanced wildlife habitat, protected our watersheds, and improved access, and provided an economic benefit to the lumber industry and local communities. It's been like Scott had mentioned, it's a lot of hard work, education and collaboration with partners. It's taken, taken a lot of different approaches to get to where we're at today, and we're very proud of this work, and we intend to continue to be proactive stewards of our forest. That's all I had

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Michelle McConkie 25:59

to say, and Aspen. regeneration, I mean, each one of these points we get spent an hour on, but you know, Adam has really been proactive, and our range managers have been on this as well on doing some of these projects to restore the health Aspen trees, I'm not going to say this as well as you would say it, Adam, but essentially they hold water, they can, they can help really kind of be fire resistant, and so getting it so it's not all conifers, so you can have those patches of aspens is very important for the forest help. Is that right? Yeah,

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Speaker 1 26:34

yeah, this is

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Michelle McConkie 26:36

all things that Adam has taught me over the years, all of that, and so you can see one of those projects, they have the Aspen stumps stacked up to keep deer and other from coming in and eating, that got some funding from the state from that, it's been a tremendous, tremendous project, and because we're TrustLands, we also took a lot of that timber and stacked it and sold it as well, so I just don't feel like I can toot their horns enough. When I was a service director, that was one of my favorite things, was going out in the field and seeing all the amazing things they're doing, and that's maybe we should do something like that for a board tour. Yeah, let you all see some of this about things you're interested in. So I stepped in, but are there no questions,

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Mike Nelson 27:20

or have a question, if I may. I off, thanks for your presentation, very interesting. I'm just curious, the operation, this operation, is that a net profit for the trust, or is it have a cost? I'm guessing there's a cost.

S

Scott Chamberlain 27:36

Well, I'll say, so the stuff that in the Pinyon Juniper, the range is doing it's almost always a cost to us, there's we're not getting a product off that so much often we can increase the AUMS, but that doesn't bring in a lot of revenue, Adam Shop is a little different, though.

A

Adam Robison 27:52

Yeah, for me it really falls into two categories, there is timber stands that can stand on their own two two feet and be contracted out as an A to B timber contract and sold at a profit, but then we have a lot of foreted land that doesn't have that economic economic value that we have to turn to other alternate funding sources to be able to treat, and that's really what is important here, is is to be good proactive stewards across the entire landscape. I'm

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Mike Nelson 28:32

not implying that we should make a profit on all this. I was just curious. Oh,

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Adam Robison 28:37

sure. No, there is literally even, even in some of these projects that we're working on that don't have a lot of timber value, we are doing everything we can to recover what value is

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Mike Mower 28:50

there,

A

Adam Robison 28:53

so and sometimes it doesn't work out that way. Good

B

Brian Tarbet 29:01

points first. First, the proactivity is penny wise, pound foolish, so I compliment you on that. The next is on the on the cost of those fires. How do you portion based on acreage? How's the fire cost split?

S

Scott Chamberlain 29:17

What I may have to turn this to Michelle, so but when it comes to suppression, our agency stands back, and the cost is dealt as handled elsewhere. We have our costs come on the aftermath of the cleanup.

M

Michelle McConkie 29:30

Forestry, fire, and state lands is responsible for suppression on all state lands.

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Brian Tarbet 29:35

Do they ever bring us a bill?

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Michelle McConkie 29:37

They do not on the suppression costs. We work very closely with them, but they do not. We're there to help, you know, give information on the ground. A lot of times these guys are out on the ground in the summer working on these things, but they do not. Are

B

Brian Tarbet 29:52

really good deals.

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Michelle McConkie 29:53

Yeah, they do. We work really well with them. They, we do have costs, and these come in front of the board. Board, gosh, it just kind of depends on when we get the numbers in, but when we're doing some of the rehabilitation, that's where we have money, and that's some of these things we're talking about, and we come in front of the board and ask for that money, and that's, we have a stewardship fund that part of that comes out of it's hard because you never know exactly what it's going to look like, just depends on the on the fire season, but we do that, and it is amazing. I mean, these guys will get down to the point of they know exactly the seed mixture they want to put on the ground, and it's that detailed and that specialized. And WRI working with other land managers, you know, BLM is part of that, private landowners, US other state agencies all working together in that state program is really been a model for other states as well. It's a great opportunity to work together, spreads the cost, makes individual contributions less, and so

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Mike Mower 30:53

work together. Thank you

M

Mike Nelson 31:00

both so much. Thanks for having

M

Michelle McConkie 31:07

us. Thank you. Okay, so I will give an update on the audit. As you all know, back in August of 2024 we received a legislative performance audit, and it's - we've come a long way. We're working, still working through things. Some of the recommendations that were given in the audit are not short term, they're more long term, and we're working through those as well. But I wanted to give you an update on where things stand. There were 13 total automate audit recommendations by the Office of Legislative Audit General, OLAG, and seven of those have

been completed. Six of them are in progress in various stages. This I'll go through quickly. One of them was a land donation policy, which the board approved some time ago. We also have implemented some changes in the committee meetings, so that we have notes that are taken in those meetings. We also, if you will, you may have noticed over the last year, include sections and board meetings where we highlight key discussions in committee meetings, just making it clear these are an opportunity to vet different projects, but the board is the one making the decisions, and we're bringing that information to make sure that that's brought out in the public board meetings, and so that the entire board has that information, make sure that that's out there. We produced the fiscal year 2025 annual report, which was tremendous, that you all saw. We revise administrative rules that had to do, they specifically pointed to some rules with our special use lease agreements or land leases and renewables, and there was some language in there. We were still required under statute to get fair market value, but they felt the administrative rules could be cleaned up, so we did that for both of those. We've also have, I already mentioned this, but board minutes from committees, so if you're on committees, that's why you see those follow-up notes that come through. Increased internal controls. This recommendation was actually focused very strongly on a report that the Division of Finance used to run, called the Expenditure Compliance Audit, that they had stopped, had stopped doing, I think, due to funding issues. Quite honestly, there's always a lag. We hadn't even realized they'd stopped doing that, because there's always a lag in when we would get the results. Couple of things we've done, we actually did hire an internal compliance officer who looks at a lot of these issues, but also, thankfully, the Division of finance has resumed doing these these audits as well, and if you will recall, when Deborah Memmott, our finance director, presented several months ago, there are quite a few different levels of oversight, which is absolutely appropriate, and we have that through the state, and and we also have internal ones as well, strengthening our KPIs, key performance indicators within our strategic plan has also been done. The ones that are in progress, formalization of the risk assessment procedures, so we have a risk management group that consists of board members and staff. We've identified major emerging and existing risks. We're working on a comprehensive review. This will come up in a few different places. We are going through a comprehensive review of all of our processes, and this is something that Stephanie, as the managing director of operations, has been heading up, but the entire agency has been involved mapping all of our different processes, looking for ways we can be more effective, looking for ways we can build risk management formally into those processes, and we're making good progress. Their board policy and risk management plan are being drafted. We anticipate that early fall of this year, having those in front of the board. Another one is improving processes to ensure required transactions. Steps are completed in the audit. This focused on a notice that was missed, and we've certainly made sure we've gone through and updated all of our progress, our checklist, and all of those to make sure that that a notice would not be missed, but we are also, that is also part of, again, this overarching process review progress that we're going through, identifying tracking land values. This is a big one. This is one that actually later was codified by statute about a year after the audit, and we had already formed a land characterization evaluation group that's eternal.

M

Michelle McConkie 35:43

We're using GI GIS-based models that are estimating values of the surface and the mineral estate. You have to look at them a little different. We've the surface estate, we have a lot of information that we've tapped into internally. Information from statewide county assessors is also being used. We have some MLS data redoing, and then there's ongoing, ongoing ground truthing. So, we have all this information, we're getting the information that's being spit out through this GIS modeling, and then we're going to go up. We're going on the ground and seeing how close is this. We are not going to rely on this ever for when we're selling a piece of land or anything like that, that we will still go through our regular processes, but we were asked to get a total value for our portfolio, and in the process it's also been really helpful, because it's helping us pull a lot of data that we've had in various places. Again, some of this we were already working on, but it's just been crystallized through this process, so that we can click on a piece of land on our GIS, see all the information, and have a rough idea of what it might be worth, and then we can track values. That's sort of the main thing, is to track, is this a piece of land that we see the values going up, is this a piece we should consider selling down the road. What does that look like? So that is a not easy when you have over 10,000 individual surface parcels, as you can imagine, and even more than that, that are mineral. So we are making incredible progress. That working group is doing an amazing work, and that is something we'll also have talked in front of the board. We're working through mineral evaluation, but its implementation is required under the statute by June 30, 2029 we'll definitely meet that, and we're working hard on that and making incredible progress on that, but it's not a short term thing. Use land valuations for opportunity cost analysis, that's what I talked about in the future, tracking these values, seeing how things are changing, looking for trends as we get that done. Then we will use that as well. Updating block plans, we had different plans for our blocks. We've tweaked this a little bit, and we have worked with the with Olag to let them know that this is the direction we want to go. As we've had a greater and greater emphasis on planning, we're actually working on county plans, and I believe this was talked about a few months ago, where we're going county by county, focusing first on Washington County and Millard County, because we have some very large projects there, and working on planning with local, with, you know, commissioners, getting their input, working with industry, we have internal planners and getting that information and putting together individual plans for different counties about how we want to use the land, how we think is going to be most effective, establishing and implementing timelines for technology upgrades. We've have a document management system, we've successfully migrated all of documents. We have a consultant who is working on a records management playbook, is what the term they use to help us make sure that we're using best practices to get our documents as efficient as possible. We have ongoing staff training, we've been going through, we're also looking at work collaboration platform, and that is anticipated fall of 2026 So we'd implement that, and then we have a legacy land management system that does need to be upgraded, but we're going through these other processes first, because some of the things that we had had initially in this land management system, it's been quite a while, technology changes quickly, a lot of that is already part of these document management or the work collaboration platforms. So, to the extent we can get things that's already out there and that we're already using, that just makes less that we have to kind of, that we have to customize. So, we're working through that process. That's all I have on the update. Are there any questions I can answer?

M

Mike Nelson 39:41

Questions, please. This really relates to the last few items you discussed regarding the software that manages all of these data. The people I talked to in mining business say they have a hard time keeping up with the developments in the software by the time they get soft. Are installed, and there are people trained in it. It's outdated. You had similar challenges that way.

M

Michelle McConkie 40:06

Probably most companies have that. I mean, our management, our land management system is, as I said, a legacy system. No one else had that. That's where we keep track of all of the different pieces of land, and certainly it needs some upgrades, we actually have specifically been trying to stick to products we can take out of the box, so that they are ready to go, and so instead of trying to customize as much, have them ready to go, so that when they're doing upgrades, those systems were their client, and it automatically happens for us as well, so that's why we've been trying to focus on that, and so the pieces that may not fit in, that's why we're doing those very last to see if we can't utilize these existing platforms and software systems, so that they're just supported and ongoing and can be upgraded.

M

Mike Nelson 41:00

Yeah, I'd be interested to know more detail on that, even if just the summary or something. Yeah, we could meet sometime. Yeah,

M

Michelle McConkie 41:08

we're happy

S

Speaker 1 41:09

to thank you.

M

Michelle McConkie 41:11

Any other

**S** Speaker 1 41:12  
questions?

**M** Michelle McConkie 41:14  
Okay. Thank you

**S** Speaker 1 41:15  
all. Sure.

**B** Bryan Harris 41:18  
Next agenda item: Advocate report by Liz Mumford, Director School District Advocacy Office.

L

Liz Mumford 41:27

Thank you, Chair Harris. Good morning, Trustees. Just a few quick updates. I know you've got a busy morning with the tour ahead. I always like to present a little bit about the beneficiaries that you're impacting through the land management. We've been having ongoing conversations with public education, specifically with the sale, potential sale of a large land block, about what that means for them as public education, and for other beneficiaries. Ultimately, as other land blocks are pursued, we've made sure to update the team at USB, as well as individual board members, and also local school board members, through their association, some other beneficiaries we've met with recently are Minors Hospital and Colleges of Education. I really want to applaud both of them. They're already working on plans to address the spend plans and guidelines for their distribution and that accountability, and we'll continue to work on that with them. And then something that we're doing as a project in our office, is creating official liaisons at each institution that correspond with the statute, and that will be valuable in the, in the instance of legal action or official contacts at the university, so that there's delegated authority through those, those legal liaisons. As far as governance, another piece that we like to update you on across the system, because it's played such a critical role in trust, integrity. From our advocacy council, Bradford Benz just finished his four-year term, and Mark Waite will be replacing him. He was appointed by CITFO at their most recent meeting, and Mark brings a great background. He's the manager of Hugo Limited Partners Forum, and he served at the University of Utah, managing their institutional investment, so he'll be a great addition to our council. And then Trustee Zucker was reappointed to the CITFO trustee board recently as well. On the TLA side, Director McConkie noted the two new board trustees members that were confirmed yesterday at the Senate, and we're excited about Spencer Moffitt and Kelly Williams. They both bring really great professional skill sets and fiduciary accountability and responsibility to your organization. I wanted to publicly thank the nominating committee. I don't know how familiar you are with them, but behind the scenes, as Trustee Maurer pointed out, our state runs with really just generous people that are public servants, and that nominating committee worked really hard this year with two open spots. They fielded a really robust candidate pool before coming to those two nominations. So, we want to thank them and the governor's office for their support in that process. As far as agenda items today, I just want to reaffirm the advocacy office and council position that the land block sale that's proposed in the roadless area of the book list is in the best interest of that trust beneficiary, specifically public schools trust, and I included a letter in your exhibit that outlines my comments and more detail from the last another agenda item, I wanted to note was the Dameron Valley sale. We really appreciate the robust committee discussion on that one specifically. The staff and Trustee Simons really helped facilitate clarity about the water agreements and that transaction, and that one benefits the University of Utah College of Science and Earth Sciences, and sometimes those smaller beneficiaries don't have as many transactions, and those are just critical for the perpetuity of their trusts, and finally, your last agenda item is just a notification, but I just wanted to highlight the. Um, as the risk assessment procedure is being developed, those joint ventures and the capital calls that are associated with them are an important to to include in the risk assessment. So, we appreciate the attention from the agency on that item. That's it from me.

S

Speaker 1 45:16

All

B

Bryan Harris 45:22

right, before we move into our action items, I would entertain a motion for a closed session, pursuant to section 52 4205 1e to discuss the sale of real property, including any form of water right or water shares. If public discussion of the transaction would prevent public body from completing fact action on the best possible terms, and pursuant to section 52 5205 1c to discuss pending a reasonable litigation. A motion to move into closed session. Motion Trustee Silence. Second, Trustee A. on favor? Aye. Hey,

M

Michelle McConkie 46:09

we think it might be easier if the board.

B

Bryan Harris 46:15

Thank you all for your patience. Our session is concluded, so we'll go back into our regular meetings. We'll move them all on to our action items in a sale of TrustLands in Grand County, Utah, Book Cliffs Roadless Area Block, Certificate of Cell number 27330 by Michelle McConkie, Executive Director.

M

Michelle McConkie 46:37

I will be presenting as well Chris Fausett, who's our managing director. I'm going to start out by just introducing. We are looking at an action for the proposed sale of lands in Grand County, Utah, referred to as a put-clipped roadless area. And I will turn it over to Chris for just a minute.

**C****Chris Fausett 46:55**

Yeah, I just wanted to give kind of a recap of the property and the characteristics of the property that we're looking at? Of course, we had a detailed discussion on this in the last board meeting in May, but the property that is under consideration for sale is about 50,600 acres in Northern Grand County, known as the Book Cliffs Roadless Area Block. The beneficiary of the property is the Public Schools Trust. It's a very remote, kind of rugged piece of property, characterized by very, you know, steep slopes, high elevations, very difficult access conditions. It's called the roadless block for a reason. There, there just isn't a lot of access to it. So, it's been a property that's been a challenge for us to manage, difficult to produce revenue from. Currently, we produce about \$124,500 a year, and that comes from some grazing permits that the Division of Wildlife Resources holds on the property, as well as its contribution to our hunter access agreement. This property really is kind of a crown jewel of the state, as far as big game hunting, recreation, open space, wildlife habitat, those kinds of things. We heard a lot of comments about that in May from members of the public. How they enjoy using this property for that. It's a premier big game hunting unit in the state where people wait 2030 years to draw out a tag to be able to hunt big game here and it's just from a wildlife habitat perspective it's just a very important property that the state would would like to see preserved for public access, and that's why they've presented us with an offer to purchase it. So, just a recap of the board meeting a month ago, where we first presented the sale. The board accepted public comment and heard from a number of people on the sale that was required by the statute and by the administrative rule, we went through an analysis of the sale opportunity and of the director's finding in that meeting, included how we determined the fair market value, the process that we followed, the three appraisals that that were conducted on the property to determine what the fair market value was, pursuant to the statute and our administrative rules. We went through a sale versus hold and a sale versus lease analysis. We talked about future mineral development opportunities, which Michelle will touch on a little bit, and whether there were any other development opportunities that might be foreclosed by selling this property, which we haven't identified any, and finally talked about the director's finding and how we felt like waiving the advertising on this was in the best interest of beneficiaries to proceed with the sale, we termed a section 104 L to the Department of Natural Resources, Division of Wildlife Resources. We also went through the terms of the proposed transaction, which we'll have a summary of here in just a second, and just wanted to see if over the last month if there's been any questions that have come up regarding our presentation and analysis that that you'd like more information on before we forward with requesting action on the sale

**B****Bryan Harris 50:30**

sessions from board members.

M

Michelle McConkie 50:36

Well, with that I will summarize the factors favoring again what we call a section 104 sale, which is a section of the code that allows us to negotiate directly with the Department of Natural Resources. This ensures greater returns for the public school trust. A number that I think we all take very seriously is we lose more than a million dollars for each year of delay on the sale. Secures a committed buyer for five underperforming blocks. This is the first one, and each sale will have to be looked at at its own merits, but this is the first of potentially five different sales, which is a very unique situation that we feel like is in the best interest of the beneficiaries to look at these and look at them individually, but that we're very fortunate and happy to be in a situation where we can look at at five underperforming assets that could be potentially monetized. The purchase funds are available now. 50 million was appropriated by the legislature, and we will be able to close immediately upon approval. There's greater certainty for the reserve mineral development, having the surface owner also be the state of Utah. It's not going to be sold into 20 or 30 or 40 or however many different pieces of land, a parcels. It will be one owner, one surface owner to work with in the future. If there's mineral development, there is kind of upgraded express mineral access rate language that we have included this avoids millions of dollars in cultural survey work between three to 5 million approximately, which would probably take about four or more years, since we are selling to another state agency and they have the same surface at the same obligations for cultural resources as TrustLands does, so to summarize the key transaction terms, the purchase price is 20,000,020 \$9,675,000 Fair market value was determined pursuant to the statute and administrative rule. Closing costs are about \$127,370 This is sale processing fees, appraisal costs, property inspection costs, and DWR is paying all of these closing costs. The reservations for the minerals, as, as defined in the board memo, and this is a cash sale. And we're again happy to answer any questions. If the board would like to approve this sale, we have a proposed motion that is in the board memo and also on the screen.

B

Bryan Harris 53:12

I can make one quick comment if there's no other questions. I just think this is a great example of lands. wanting a lot of value in this property for the beneficiary, which in this case is his public schools, taking a very valuable piece of property that is really not generating any revenue, \$125,000 a year, going to get \$30 million and let their investment professionals invest that, and they'll definitely get a return much larger than \$125,000 So, I just want to kudos to the staff and everyone for and to the legislature for enabling this to happen. I just think it's a great outcome. Just want to make that quick comment. Yeah,

M

Mike Mower 53:58

I would second that. I think this is a huge win for the beneficiaries, which is first and foremost, but I always focus on what we all focus on here as trustees. But it's a win for the school kids of Utah. It's a win for the state. So, again, kudos echoing the chairman's comments. This is a real great day for you, Job.

B

Bryan Harris 54:17

So, I'll entertain a motion to for approval, Trustee Basel,

J

John Baza 54:24

I'd make the motion that we approve the sale of the subject property and the terms set forth in the board memorandum, and direct the agency to take all further actions necessary under lies the transaction. Thank

B

Bryan Harris 54:39

you for that motion. Any other comment? Is there a second on the motion? I'll second. Trustee Nelson said all in favor, aye. Any opposed? Vote that. Trustee Simons opposed. Okay. Thank you. We'll move on. To the next agenda item 10 B proposed metal reference minerals exploration agreement with option to lease mill 54717 OBA located in Uinta County, Utah, 12 112 acre docking mining limited Tyler Wiseman, lease manager, geoscientist, energy and minerals. Tyler,

T

Tyler Wiseman 55:24

thank you. Board, good to be with you. Good to have members of the press and public as well. This is an exploration agreement with an option we use with a company called AU King Mining Limited. They're the proponent here. They are a junior mining company out of Australia, with operations in Australia, as well as Africa. To orient you to where we are in the state of Utah, we're in Central Juab County, in the Eastern Great Basin Metallogenic Province, which is very prolific mineral-rich area with over 150 years of mining exploration and development with world-class ore deposits. Specifically, we're in the Deep Creek Tonnish Mineral Belt hosts porphyry copper molybdenum and gold deposits, as well as Climax type deposits, we're in the Thomas Range, which is oriented north-south, kind of on the edge, on the western edge of the Thomas Range, in an area which is called the Thomas Caldera Complex. So, caldera is just an ancient volcano that erupted and then collapsed in on itself, and along those, the rim of the caldera, a lot of mineral-rich bimodal rhyolites, which are basically silica-rich with some mafic magmas associated with it too, so those rhyolites are enriched in beryllium, fluorine, lithium, rare earth elements, and uranium with minor tin, tin, and tungsten occurrences as well. The Sport Mountain Mining District is a long-standing historic mining district, which is still producing, that's what you're seeing outlined in gray. The lands to the south are operated by Materion Natural Resources, where they mine the beryllium deposits, the world class. They're actually the world's premier beryllium deposits in the world, so this district is the seventh largest metal district by value, and Utah's largest floor spar, which is Flooring District by value, as well. The area that the proponent is proposing to lease is in what's called the Dell, which hosts the Clay Bank Floor Spar and Rare Earth Prospect as well as the historic yellow cheap uranium mine just to the east. The overview and proposed terms. So this is where we are. We're in our townships 12 south, 12 west, sections 26 and 35 These are lands that we just recently acquired in the Dingle Act land exchange with the federal government, it's just, or just over 1200 total acres, which are 100% schools trust beneficiary. The proponent is proposing a five year exploration agreement, which require work commitments, and then the option to lease for a 10 year primary term is contingent on those work commitments, annual progress reports, and a York technical report. Since they are an Australian publicly traded company, they're proposing a \$5,000 bonus payment due on signing the exploration agreement, and then under the exploration period of five years, an escalated annual rental from years one to one to three at \$3 per acre, four to five at \$5 per acre. The 4% gross royalty on non-fissionable and 8% gross royalty on fissionable metalliferous minerals will be on the optioned lease, there will be a potential provision to negotiate a royalty reduction if third-party mining claims are acquired and abandoned on the property, so in the Dingle Exchange we acquired all valid existing rights on those lands from the federal government, which included dozens of unpatented mining claims, some of those have gone away, but, but there are some that have remained, and the proponent right now is under NDA with the company, with the third-party claimant on the on the claims to get to acquire those, because that is actually where the claim.

T

Tyler Wiseman 59:59

I mean, floor spar and rare earth element deposit really is known, so for them to acquire that, and then immediately relinquish those mine claims upon acquiring, and then those would those lands would wrap into the OBA, and then with the option to negotiate that royalty reduction, so the rationale and benefit to the beneficiaries, this is they're really the logical operator out here, they're experienced technical technical team operating all over the world, they've agreed to a five year exploration term to specifically test trust lands rather than just acquiring a bunch of lands in the area, they're in negotiations with that third party claimant that are encumbering those lands with the mine claims and have agreed to relinquish those mine claims if successful, and then again, exploration success may lead to long-term financial returns to the trust lands beneficiaries through escalated lease rentals, production royalties, and the associated economic development. This was this OBA proposal was presented to the Energy and minerals committee last month, and if there are not any questions or comments, the proposed motion is on the board.

M

Mike Nelson 1:01:36

So I'm acting chair. Well, the other guys out, are there any questions

J

John Baza 1:01:46

in your memorandum? You mentioned both annual progress reports to the agency, as well as an Australian GORC technical. Is that Australian report a one-time thing, or is that ultimate annual

T

Tyler Wiseman 1:02:02

great question. So, the annual reports are more of like a preliminary reports to that would go into the final report, which would be the Jordan, which stands for Joint or Reserves Committee, which is similar to Canada, that has the NI 43 one on one technical, so any, any public publicly traded company in in Australia is required to do these types of any mining company is required to submit these drug reports. So the way I see it is like that would be the final term paper, if we're thinking like school, that would be the final term paper at the end of the five year exploration term to get the lease, but the annual progress reports are a requirement that should essentially, if they're following an exploration model, it should be building to that Jordan report at the final at



John Baza 1:02:56

the end of the five years. Does it come back in front of the board for a decision on the lease, at that point it



Tyler Wiseman 1:03:03

does not know we would be the board would be approving the exploration term, and then the 10 year primary term lease as an exhibit under the exploration agreement.



John Baza 1:03:16

Thank you.



Mike Nelson 1:03:18

Any other questions? Well, always like to hear the geologists talk, because they say things like bimodal ryland. Who have a motion on this, mr. Tarbet?



Brian Tarbet 1:03:37

mr. Chair, I move to approve mineral lease 54 717 OBA on the terms set forth in the board memorandum, and to have the agency take all further actions as necessary to finalize the transaction.



Mike Nelson 1:03:53

Second, all in favor of this motion, aye. So unanimous vote by those present. Thank you. Board, the next item is 10 C.



Michelle McConkie 1:04:12

Yes, Heather's presenting, but we have to control it. So, thanks. This is

**M** Mike Nelson 1:04:15  
a proposed oil, gas, and associated hydrocarbons lease agreement number ML 54718 OBK located in Juab County. It's about 1200 plus or minus acres, and the agreement is with Exploration Heather Murphy, Manager Energy and Minerals. Heather, someone else doing the presentation.

**T** Tyler Wiseman 1:04:45  
Heather should be online.

**M** Mike Nelson 1:04:47  
Okay,

**T** Tyler Wiseman 1:04:51  
I'm happy to roll with it.

**M** Mike Johnson 1:04:55  
Yeah, if it doesn't work, we can present

**M** Mike Nelson 1:04:58  
a couple of it. Eyes with really intense looks on there,

**T** Tyler Wiseman 1:05:05  
so I'm not as familiar with this, but Andy, I'm sure, can fill in the gaps. So this is a oil and gas expert. Oh, she's in there. Okay, can you hear

**S** Speaker 1 1:05:16  
us, Heather?

H

Heather Murray 1:05:17

Yeah, can you hear me? Yeah. Sorry, it changed over to behind the scenes, so I had to do a little bit of adjusting, but thanks for Tyler. I may still hit you up, especially, you know, when we want to hear more geological questions. So to start out, this one is with leaf exploration. This is in Iowa County. If you want to proceed to the next, this is in Southern Iowa County, in the book cliffs. This is section 1414 south, or, sorry, 14 south 23 section 36 It is 640 acres. There is actually one well associated with a 640 acres, and the beneficiary is the schools. So, moving on to give the background, we did have the prior operator had wells and leases in Uena and Grand County, and there had been multiple issues with us and Dogham and other agencies, and it actually had a potential sheriff sell, so this lease was actually terminated in December of 2025. However, the next month there was a private cell to leaf exploration in January of 2026. So, as you look at, oh, if you go back just a little bit to give a little more history, when you're looking at the map, the red is in our areas that we have Coda, and then you start to see that there's a horizontal drilling. These are the blue lines, the solid blue lines are drilled, and the checkered or the dotted are the proposed. So the areas had a lot of focus with the new mankos play, a lot of excitement, which really helps us when you know we have some operators that we have challenges because this area has become very popular and a lot of people are looking to expand and look at new formations and new horizontal drilling, so moving on, so what we're looking at with the terms of this OBA, so where I did say there is one well on this lease, so we had canceled the lease, and so technically this could go to an orphan, but we have worked with this operator who bought leaf or bought bought out the prior operator. We bought it. They have the adjacent federal lands, which again, when we go back on the horizontal drilling, it's really critical on a lot of these that we have people that can work together or the same operator having these lands, so they can drill the two miles or potentially more. So, what we're looking at with this is a one-time bonus of 32,000 which is about \$50 per acre, an annual rental of \$2 per acre, and this is where one of the big perks of this is we can assume the liability of the Trap Springs 836 1423 lease, or well, so on this well they think they can make this productive, but why we're looking at a primary term is if this well does need plug, this does give them the option to be able to still drill in the future, so it kind of gives them the buffer to do what they need to do with this well, and not just try and hold on to it, and then lose the lease if it really does need plugged, so the royalties can be deducted from the rental. So basically, this gives them the five year primary term to allow them to really analyze this well, see what they want to do with it, but yet still maintain the lease, the royalty on new wells will be 1/6 or the 16 and two thirds, and that is up from the original 12.5% on the previous lease, and so the existing well will still hold the 1/8 which is 12.5%. So moving on, so some of the benefits is that Leaf will assume the responsibility for a well that was in the process of being orphaned.

H

Heather Murray 1:09:06

They also have been able to work with the previous operator to have everything assigned to them, including all the property, tanks, everything associated, which can create a problem when we're in the orphaning process, on, you know, making sure everything's done correctly, so that is one step that can be avoided in this again. Leaf has adjacent oil and gas leases for future development, and they've since stepping in January, they're already actively optimizing existing wells and working to develop the area that has a lot of great potential. So, moving on, I, if there's any questions, more than happy to answer anything on this area.

**M** Mike Nelson 1:09:52  
Questions, questions from the board, I. Hear a motion

**J** John Baza 1:10:04  
move to approve ML 5478 OBA on the terms set forth in the board memorandum, and to have the agency take all further actions necessary to finalize the transaction.

**S** Speaker 1 1:10:20  
Second,

**M** Mike Nelson 1:10:22  
we favor, aye. None opposed. Motion passes. Thank you. Thank you, Reverend.

H

Heather Murray 1:10:30

Yeah, thanks. Let's, and moving on to our next one. This one is another proposed helium oil gas and associated hydrocarbons lease with Rose Petroleum, so if we move on to the lands, so this area is south of I 70 between Green River and 191 going down towards Moab. There is, it's on the 22 south to 23 south area, and 16 to 17 and 18 east. It's about little over 2200 acres, and again the beneficiary is schools, and if we move on, so the background with Rose Petroleum, they actually previously did an OBA with us a few years, well, it's probably been 2020-ish I think, Tyler, you did that one, but so they acquired the original leases, and they had a sliding scale starting at 12.5% up to 16 as production came up. So, just give a little history with them. They also, similar to my previous one I just submitted, they took over responsibility of a well that was orphaned, and they plugged it, so they have been a good operator that has been able to really make things happen and work with situations and find the best in them. So, currently they have this White Sands Federal Unit outlined in blue, and they are looking to try and expand their acreage. They do, so the stars are the leases that we're talking about today. They do have other state leases in the area that are already secured with us, and they are in the process of nominating. Well, they've nominated with the federal lands, and they should be on the second or third quarter auction with the federal lands. So they're trying to get a good lease hold, and so currently they've drilled two wells. They show very promising, however, in an area that, as you can see, there's not a lot of wells. Most of these have been plugged. They, it's really hard to make sure you've got the correct infrastructure and the wells, and right now they are actually currently waiting on the infrastructure to be completed to be able to send the gas to market, so they've, it's been a complex area where they're at without a lot of development, they have already completed seismic in the area, which I do believe has helped with being able to drill these wells that are showing promising with their initial production tests without them being officially online, so if we move on, so the terms of the OBA is a five year primary term, so one time bonus of 22,377 which is \$10 per acre. Again, this is an area outside where there's been a lot of development. There has been wells, but it's, I mean, they are really searching and looking at these and starting to put new technology into an area that has potential, but I don't think has been tapped yet. So, the annual rental is \$2 per acre. The royalty rate for the oil and gas is 1/6 or the 16th and two thirds. The helium is 12.5 They do want to include the helium on these, where most of the time on our auction on their other leases, it's for discovery, but they from their from their evaluations, they think a little bit deeper than they want to go, so they want to be able to have the ability to drill and test the other areas, see if they can get helium, the other things they want the option to extend for year six and seven with a \$10 per acre bonus with the clause that they have new seismic completed in these areas, so a lot of times like we have the five year, but this area has been a little more challenging, so they want the option for the six and seven just to be able to correctly develop it again, they don't want to have to drill more wells that don't have takeaway, they, you know, it just gives them a little bit more playroom, especially also federal leases have a 10 year term, so they just want to make sure they have the option to give them the buffer zone to make sure they can get where they need to get to, and so moving on, a lot of the benefits, the main benefit I would say on this is new seismic data.

H

Heather Murray 1:14:42

Kyler may be able to speak if more on it, but this area in the paradox has a lot of potential, and being able to have the seismic, whether it's oil and gas or some of the other critical minerals that have been explored in the future, would be a great asset to us. This is also expand. Is the exploration and infrastructure in an area that I'd call more Wildcat. There's a lot of potential for new oil and gas revenue based on the two wells there. They've already drilled, and this is their focused area for this operator. This isn't like a back burner project. This isn't something that they're trying to put together, and you know, wait, and someone hopes they jump on it. They are actively wanting to develop it, and they're just going through the proper chain, and it's just a time process to get it there. And with that, is there any questions you guys have?

J

John Baza 1:15:39

Whether it seems like in the past when I've worked on areas that had helium potential, there were some complications with the federal leasing of the commodities. Do you know, does the federal unit include the sale and transport of helium product?

H

Heather Murray 1:16:00

So, these ones will be outside the federal unit. There have been, so I think we'd want to double check with the BLM for sure, but depending on where a lot of times the Fed, if you find the helium, you, it's like us, you have a preference right to add it. I believe there has been some units, they have added helium into the unit that I've actually seen that is in Grand County, it never produced in the unit went away, but there has been the option that I have seen that the state office has approved helium into a unit for the commodity.

T

Tyler Wiseman 1:16:38

Yeah, so the DLM side, the helium is interesting, so you have to have an oil and gas lease to drill for helium, so and they will, they, the federal helium program will not issue a helium without proof, so an oil and gas or a helium operator has to give them oil and gas lease and then prove that the helium is there to acquire a helium lease through the federal helium program, so it is, it is almost like, like a preference, rightly. So we have on our leases under one commodity, and if they find another commodity, they can come back to us and negotiate a lease under that. So just similar that way, and just to talk on the helium saltwash, which is the, it's gonna be

H

Heather Murray 1:17:27

the bottom by the green,

**T** Tyler Wiseman 1:17:29

yeah, the third one down, the third star down, that's saltwash, and that has a lot of historic helium gas samples that were taken really in like the 50s and 60s, so there they know that there at least once was helium there, but they would really need to go and test it with modern techniques to prove that it's there.

**M** Mike Nelson 1:17:57

Any other questions, want to hear for item D.

**M** Mike Mower 1:18:06

Sure, I'll make a motion. I move to approve White Sands OBA on the terms set forth in the board memorandum, and to have the agency take off further actions necessary to finalize the transaction. And second,

**M** Mike Nelson 1:18:20

seconded. All in favor, unanimous. Thank you. To resume your duties.

**B** Bryan Harris 1:18:32

Sure, I'll take it over again. All right, we'll move on to item E, proposed major development transaction located in Dameron Valley, Washington County, with Dameron Corporation by Greg McArthur. Is Greg online?

**G** Gregg McArthur 1:18:48

I am. Hi, everybody. Can you hear me? Okay.

**B** Bryan Harris 1:18:51

Yes.

G

## Gregg McArthur 1:18:53

So, good morning, everybody. So, I'll just.. this will be the second time that you'll see this item for the board is a major development transaction, so we brought it to the board in November of 2025 and you gave us the go ahead to work with the Dammer Corporation to go and negotiate development lease with them on this property. So I'll tell you a little bit about it. So if we want to go to the next slide, so this is to tell you where the Dammer Valley lands are, so they're about 18 miles north of St. George, Utah. As you can see, there they go, you go up SR 17, and they're just right there up north of St. George. So, the next slide will tell you a little bit about the lands themselves. So, there's a reason why these are not fully developed with all the things that are happening down here in Southern Utah. These ones still need development, and there's a reason why. The reason being is because these lands do not have water, so they're dry, and water in this area is supplied exclusively by the Dammer Valley Water Works Corporation, which is owned and operated by the Dammer Corporation. Washington exclusively, so all the water in Washington County is mainly run by the Washington County Water Conservancy District, and they don't have lines that go to this area. It doesn't work, so that's why there is this Dammer Valley Water Works. There's no sanitary sewer system, and if you wanted to use septic, the lot sizes would have to be at least 10 to 15 acres, just due to the nitrates there. So, to get smaller lot sizes, there will have to be a sanitary system that's put in. And then the current zoning, this, these lands sit in the county, Washington County, and the current zoning is OCS 20, so open space transitional, so it's 20 acre minimums. So, to get anything lower than that, we will have to do a zone change with the county, excuse me, higher, higher lock count. So, let's come to some of the challenges there. I wanted to give you this slide just to give you some valuations. So, in 2014 we entered a development lease with the Dameron Corporation, and we got an appraisal done at that time, and the lands were valued because they don't have water at 2768 acre. So, if we take that and we do a compounding annual increase of 8% then you know today they could be worth about \$6,400 again without water. We did an appraisal in 2021 on some lands that we sold that's under the development lease, so it was a two acre parcel and a 12.67 acre parcel, and a 22 acre parcel, and the appraisal came in at about 28,500 an acre, and that is with water. There's a couple listings that are in this area, it's hard to find comps for land sizes this large in this area. So, there's 100 acre parcel that's listed, been listed for over a year, five comes with a little bit of water, and they're asking 15,000 an acre, so that's current, and it is not sold. There's also another listing currently active that has 126 acre parcel with 50 acre feet of water, so quite a bit of water, and they're asking 10 million or 79,000 an acre that has not sold either. So just as just give you kind of some valuation numbers, just to kind of let you know what we're looking at here. If you go to the next slide, oh, there we go. Thank you. So, the next slide is in 2014 We had a development lease, and we added it to it with the Damme Corporation. It was for 560 acres. As you can see, the blue is what we have left, the orange is what was developed, so we had about 50 acres of lot sales that were completed in 2020 24 That 10 year development lease ended, and we, it didn't renew, and so the lands came out of contract, and they currently don't have water. In with that, with the lands come out of contract, we put out a new RFP for these lands for the development, and that RFP ran for what, for a few months, four months, from December 2024 to March 2025 and yielded two responses.

G

Gregg McArthur 1:22:50

And by far, our best offer was from the Dammer Corporation to enter into a new development lease with us on it. And in November 2025 the board requested that said that we could move forward with negotiation with the Dammer Corporation, so that's what we're presenting today, is that negotiation, which I think you'll be pleased with. So here's what we've negotiated for a development lease structure with the Dammer Corporation from our previous lease, our previous lease with them from 2014 to 2024 had sales prices that they could, they could buy the acreage at 50,000 an acre as a minimum sales price. We've now increased that through our negotiations to 175,000 to 245,000 an acre. As you can see in the top left corner of this slide, there is the neighborhoods that they plan on, plan on building the lots, the number of lots at the average sale price that they believe they can sell them for, and then the minimum sales price that they agree that they will not be able to go under for each neighborhood, and so that's what we've come to an agreement on. We'll increase our revenue share, so we're getting 20% of lot sales before, now we're going to get 22% we're increasing the unimproved parcel minimums from 6000 an acre to 14,000 an acre, and we're restricting which lands can be sold unimproved. So, before they could, they could designate unimproved lands. Now, we're saying that it's 14,000 an acre if you want to have open space lands, but it's restricted that to do the unin to sell those to purchase or us to sell those unimproved parcels, the lands, the lots that are around them need to be completed and for sale, and so we've added that into the contract. We've increased the annual lease rate from \$500 to \$4 an acre, so 500 acres, but times four is currently about \$2,000 a year. That's a minimum thing, but we included that in. And then a big one on this one is we require county approval for the proposed 238 unit count. So before they did not get county approval for the full master plan that they had. We will require that for this lease to move forward, so those are the things we've negotiated. There's another really big one that makes this a good option for the trust, the Damron Corporation, who owns the Dammer Water Corporation. They have committed to us that within 30 days following the execution of the execution of the development lease, Daimler Corporation shall allocate and commit sufficient water rights from the Daimler Valley Water Works to fully serve the proposed 237 lot project. So, they'll move those lottery's water rights over to over, and they will, they will guarantee them, and these water rights shall be permanently reserved for the benefit of the project and guaranteed in perpetuity, so our lands just went with this development lease. Our lands go from dry lands to lands that will have water guaranteed toward them in the future. The projected returns on this, if, if they get that asking price on all the lots over with this takedown schedule, they're they're estimating a gross revenue of about 17 and a half million. If we do an NPV back to today, that's about 11 11,800,000 We think more realistically, we think it's closer to a gross revenue over the next 10 years of 12 million and an NPV of about 8.28 point 3 million is what we think we'll get out of these, or about \$25,000 an acre. What's that? Oh, is there a question? Okay,

M

Michelle McConkie 1:26:32

just caught. I think.

G

Gregg McArthur 1:26:33

Okay, so there's one other thing we want to add to this development lease. So we have SR 18 state road 18 that runs through our lands. Now, these land, the U dot has a permanent easement on these lands, and so we've done an appraisal on the lands that lie underneath the permanent easement of U dot, and the valuation comes back as zero. We've reached out to U dot, seeing if they want to purchase the lands, and they have no interest in purchasing the lands, because they have permanent easement on them for use, and so what we would like to do is include these lands into the development lease, and then have it be part of the our partners' requirement is to dedicate them to UD, having that they have no value and just liability to us now, so that's one thing we'd like to include, so with that, that's the presentation on this. This is the negotiation we've come to, and you have our recommendation. We think it would be great, in the best interest for the trust, to approve this. And please let me know if you have any questions,

B

Brian Tarbet 1:27:39

I Yes,

B

Bryan Harris 1:27:43

all right. Would anyone like to make a motion for approval? Well,

D

Dan Simons 1:27:47

move to approve final terms of the development agreement with the Ameren Corporation for 510.32 acre development lease in Dameron Valley, Utah, and for the agency to execute and take all further action as you started to finalize the transaction. Second, all in favor. Good job, Greg.

G

Gregg McArthur 1:28:13

Thank you.

B

Bryan Harris 1:28:17

All right. Item F: Proposed amendment to a major development transaction located in Eagle Mountain, Utah. With

A

Alexa Wilson 1:28:25

morning today, we're talking about an amendment existing lease, and I have a little map that shows us where we are. We're again on the west side of Utah Lake, and on the very east side of that map, you see the parcel where we're headed while we're having lunch, and on the other side of the mountain, in the circle is in the city of Eagle Mountain, the overland community that Ivory has been building since 2016 Ivory is the lessee, the developer since then, and I have a couple of quick facts, they made \$21 million for us since that time, so we've done well on that parcel. About 25% of the plant homes are built. We sold 21 acres for a civic center to Eagle Mountain, where they're going to build their new town hall, surrounded with some walkable retail and recreation opportunities, and for the future we have on tap a 55 acre commercial center and a five acre hotel parcel that will probably change what Eagle Mountain will. Look like for the residents, and for anyone who visits specifically, we propose to allow the sale of not fully improved commercial parcels, and for the trust to get 50 to 80% of the gross sales price, depending on the circumstances. Currently, the lease does not allow that. The lease provides for the sale of improved commercial lots, and the trust would get 50% share of that to approve to improve fully improve a parcel, the developer would have to have to plan the land to market the land to get all the entitlements and to construct all onsite and offsite infrastructure, and sometimes that is not the right time to sell a land. Sometimes it's before that actually happens, which is why we're asking for the for the ability to negotiate the sale of a not fully improved parcel for anywhere between 50 and 80% of revenue share, and it's going to be the end, but we'd be thinking about in end those negotiations would be the following things. The first question we would ask is, this parcel actually ready to go? So, are there anchor tenants and other tenants under contract? Is this fully entitled? Is all the off-site infrastructure either in place or fully funded. The other question we would ask, if, if the development will have an impact on not just the specific parcel that we're selling, if we're talking about development that has regional significance and the spin of returns for the project, like in this case a commercial parcel will have is an amenity for the residents around it. All of a sudden, all the beautiful walking trails will actually get you somewhere, not to more residential houses. The daily life for the residents would be considerably easier, because they don't have to go far for their groceries. Teenagers have a place to hang out, other than in each other's backyard, it completely changes the texture of the community. Another very important point is, if the purchase price is at least fair market value and and in addition to that we would look at if there are realistic alternatives for the transaction being proposed that would bring more money, like could we sell these parcels fully improved and for more money, but at a later time, because it will take more time, some time to actually get to that point, and, and how does that way looking at all these things together with with ivory to a negotiated percentage for the sale of the first. Well, I'm going to stop talking now, and like you ask questions, and possibly think about emotion.

B

Bryan Harris 1:34:21

Actually, I got a couple questions. So, is this.. is there.. is there a specific piece of property here that you're planning on selling before it's developed? Is that.. is that why you're doing this lease amendment?

A

Alexa Wilson 1:34:33

Are two proposed transactions in the pipeline. There is a 55 acre sale for for a major commercial center that includes a Smiths and a Lowe's, some minor anchors, and a whole string of these little mostly fast food outlets on the on the perimeter, mostly in a model that has been proven in. Other parts of that region, and a little further out, there's a five acre parcel that may feature in a hotel, a retail office, and some condos that's a little further,

B

Bryan Harris 1:35:18

and our financial analysis is that if we sell it now rather than after it's developed, we'll, it'll be, it'll be better for the trust. Is that what you're saying?

A

Alexa Wilson 1:35:27

That is always the way we look at things,

S

Speaker 1 1:35:30

and

A

Alexa Wilson 1:35:30

that's for the

B

Bryan Harris 1:35:31

trust. So, did Ivory bring that, that suggestion to us? Is that how this came about?

K

Kyle Pasley 1:35:36

There's a couple things driving this. If I can, if I could step in, one is, is that this is kind of a one-way market with Eagle Mountain, so this is only going to serve Eagle Mountain, so it's hard to find someone to say, "Well, I'm going to drive past the Saratoga Springs grocery stores to go to Eagle Mountain if I live in Saratoga Springs. So we're probably about 10 years early to get some commercial section like that until the rest of that area builds out, so there's a partner that Ivory has that's willing with the major retail tenants that are willing to spend money to plant their flag and pioneer and put that money in. So we're probably going to get this money earlier than we would otherwise. We're getting the right amount of money, but we're getting it earlier, and we're allowing that investment now to spin further infrastructure that pertains to the project that will help accelerate remainder project residential perspective. So that's kind of the impetus behind this, is that we're going to pioneer a little, and if we can get the money now, it's it's a, it's in the better interest than waiting, and then seeing if Saratoga Springs, we see this in St. George and Washington. Washington has waited and waited and waited and not taken advantage of these pioneering opportunities, and St. George keeps taking all of their opportunities, and I think the same thing can happen with Eagle Mountain and Saratoga Springs. If you don't act now, Saratoga Springs will take their opportunity, and that's not casting shade on Saratoga Springs, that's just what they'll do to capture all of the sales tax revenue. I've seen this exact model play out with Washington and St George, so it's a lesson learned, I think, from Southern Utah that let Eagle Mountain learn from the mistakes of Washington and act now, while there's someone there, but because of that, we can't, the way the contract is structured, can't do that deal, because they'd have to go in and put everything in, the partner is going to go in and finish all the fine grading, Ivory teed it all up, they've done everything but taken the shot off the tee box, they've graded the green, they've graded the fairway, they put the ball on the tee, but now we need another partner to come do it, and they're there before the tournament starts to hit the ball. So, do

B

Bryan Harris 1:37:54

you think this, this amendment, this, this term, this amendment would be something to be kind of base for future agreements, or is this just a one-off?

K

Kyle Pasley 1:38:03

No, I think this is a good base for future agreements. I think I think this might actually be a model that you might see come up in coming years with desert color as we hop across the Washington Parkway, because we, we do have some similar models in their commercial areas that do this for finished and non-finished lots, and that's what we've had to do some mental gymnastics around that, and that deal, I think this kind of sets a precedent going forward. Okay, here's how we'll evaluate that going forward, if those opportunities arise. So, I think it's a template that we're setting that you'll probably see in other deals, they'll come back to the board when we hop across Washington Parkway, we'll, it'll come back to the board for Desert Color, but that's just an example off the top of my head

D

Dan Simons 1:38:51

there. Oh, sorry, ask Alexa, or are you out to talk about our water shares there? How this is going to benefit our ability, and also how way that having the retail there, it will help the retail or the residential sales, because of that.

K

Kyle Pasley 1:39:10

Yeah, so, so two points. Let me jump to the second point first, because that's probably the easier one to answer, so I'll take that first. Having those kind of opportunities there, because it's a one-way market. I think when people are already driving to qualify, which is that Eagle Mountain is a drive to qualify market, and so we're trying to, we're trying to amp that up. When people are already doing that, it's already a pain for them to think, well, I'm going to have to drive into Saratoga Springs. I'm going to have to drive into Lehigh just to do my grocery shopping, or to get a bunch of nails for a home improvement project, or whatever the case may be. If they now know that I have a retail opportunity there that's closer to my home, they're more willing to isolate themselves because they don't feel as isolated. Uh, the rest, and that will drive the velocity. I think we've run up against some of those issues with marketability out there, and we can talk about that on our tour with Larry H. Miller later with Saratoga Springs, but I think that will help once you get on that west side of the mountain help you feel less isolated. I think that will help marketing, because people go out there and see, oh, well, there are places for me to shop, there are places for me to be, and I think that drives the marketability of a project, and we've seen that in other projects. Desert color, now that the retail is going, I think the marketability is a little bit better perspective too. As for the water shares, I'm not sure that this particular deal will affect the availability of water per se. We have water banked with Eagle Mountain, and I know Ivory has been working to obtain water through the Central Utah Water Availability Shares, and we're working on that, and that that's an ongoing topic that we'll talk about with Ivory, as far as as water, but that that continues to be an issue. It's unlike the previous what deal we had with Washington County. It's not a one-stop shop with a lot of Washington County Water Conservancy District, which seems weird, that the driest county in the state is a one top shop, and the 28 others make you bring your own water, but that's a topic for another day.

S

Speaker 1 1:41:29

Thank you.

B

Brian Tarbet 1:41:34

I love your golfing metaphor out of the rough and out of the sand trips. Okay, the question I have is said, case by case, when you break this up and start looking case by case, have you got the bandwidth to handle all these different projects or proposals as they come to you? I think so. That's

A Alexa Wilson 1:41:55  
our job.

K Kyle Pasley 1:41:56  
Yeah, Alexis Brains got a lot of capacity, but I think we do, and I think it's not going to overwhelm the system on a case by case basis. We'll get a couple of these a year at most that we'll have to look at. So, I think we'll thank you. We'll be okay.

B Bryan Harris 1:42:16  
Questions, entertain a motion

D Dan Simons 1:42:24  
to approve the agency's proposed amendment framework for development agreement 74 authorizing staff to finalize and execute an its sustainability consistent with the terms presented, including authority to approve qualifying unimproved commercial parcel sales with TLA participation between 50% 80% gross sales price, subject to the documentation or documented staff findings that the transaction is in the best interest of the trust.

B Bryan Harris 1:42:55  
Is there a second? All in favor,

K Kyle Pasley 1:43:00  
aye.

I Imaan Ahmed 1:43:03  
I check

B

Bryan Harris 1:43:07

30, that's that's our last action item. We do have a notification item, notice of material amendment to a minor development transaction located in King County, Utah, five plus or minus acres with MW Kanab LLC by Kyle Paisley, Deputy Director. These commissions, I think this one we could, we could hear a presentation or not, depending on what the board would like to do. If you wrap up your presentation, or just leave it to your everybody had a chance to read, read through the item. Do we have any questions or good? Yeah, I think we're good as well.

M

Mike Johnson 1:43:58

Just really quickly want to put on the record, the closed session pertained to item 10. A, that's all.

B

Bryan Harris 1:44:06

Thank you. Okay, I will entertain a motion to adjourn. Oh, I'll

M

Mike Mower 1:44:11

make that one. Sorry, Stan. Disappointed if I didn't second.

B

Bryan Harris 1:44:17

All in favor, aye. Thank you, everyone. See, you'll be back in August,



1:44:22

so.