

09.17.2026 TLA Board of Trustees Meeting Audio

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SUMMARY KEYWORDS

TrustLands, School funding, Land planning, Carbon County, Valor Atomics, Nuclear energy, Public comment, Energy development, Land sale, Real estate, Lithium exploration, Brine extraction, Airport parcel, Revenue growth, Resource management

SPEAKERS

Gregg Mcarthur, Stephanie Barber-Renteria, Michelle McConkie, Kira Bennett, Dan Simons, Marcos Santana, Ben Orgill, Cory Gardner, Tracy Rees, Larry Jensen, Mike Mower, Jess Housekeeper, Mike Nelson, Marcus Chen, Presentation Audio, Imaan Ahmed, Terry Bell, Tony Martines, Joelette Organista, Harry Hansen, Vince Wayodi, Bryan Torgerson, Drew Bonner, John Baza, Liz Mumford, Jared Haddock, Kael Weston, Jim Davis, Kelly Williams, Aaron Langston

Mike Nelson 00:08

You, name is Mike Nelson. I am the chair of the board of trustees for the State International TrustLands Administration. It's mouthful, so we call it to LA. Welcome to those who are visiting. Have meetings on the item. Number of items on the meeting. But I think we'll first is to consider the minutes of our last meeting held on this year. There's someone on the board who's willing to close meeting.

John Baza 00:46

I will make that motion.

Mike Nelson 00:50

Second, seconds. All in favor? Aye. Unanimous. So the minutes are approved. To make you aware of meeting dates for the beautiful year, meetings on November 22, number six. There will be next item on our agenda. Agenda: It's a discussion of how TrustLands are distributed. Lands are developed. Bennett, Director of School.

K

Kira Bennett 01:50

Board members, we're really excited to say I'm here about it. Oh, sorry, newly director for the school children stress program over at South State Board Education. We actually just got to do a presentation with our board, and we were so grateful to have Chris Lawson join us to speak for Pasley and Easter. Always being present for all of our partnerships. I have here Marcus, our training specialist, and Laura, our administrator, this is down one member of our team with the recent retirement of plant, and so we're going through transition. So a lot of work added in the next weeks. We are well aware that there is a tremendous amount of work that goes on here at the TrustLands Administration, and Sonja and I. the TrustLands and generate revenue for beneficiaries, and we really want to recognize that work. Thanks to LA, on behalf of the beneficiaries of education, we at the USB have the opportunity to carry those sources forward. Sorry

M

Michelle McConkie 03:13

about that.

K

Kira Bennett 03:18

School Land Trust Program is really a local program at its core. Our role at the USB is to help connect the funding generated here, and so it can have the greatest impact for students in the education system. We do that through program administration, training, and compliance, and in practice, that means agencies the support, resources, and structure that they need. Schools and our communities know their students the best, and the program is built around parents having a strong input into those. We don't get to tell people at US how to spend the funds that are generated here, but we do provide the framework that helps them make those. That's where the bulk of our work happens. We provide training and guidance, manage the program's reporting system, offer technical assistance, and perform compliance. And we'll come back a little bit to that accountability because I think a lot of what you tend to hear, the the guiding principle of our team is that the storage of these funds doesn't end once the money gets to the beneficiaries, and with that, I'm going to turn it over to Marcus to talk about how that happens.

M

Marcus Chen 04:41

As Kira mentioned, really the impact of this program really happens to councils that are at each full Utah public schools. So those that are in districts, those that are in charters as well, each year schools go through an election process to those councils. Ultimately, is really about also collaboration among school administrators. Councils at the schools are able to advise and make recommendations on school-specific things, but a chunk of their work is really devoted to the school land trust plan. That's where they are making decisions on how those funds are used to support the greatest academic needs and putting those supports for students to succeed. And so every year, those plans are put to the evaluation process at the local level: councils, school boards, nation That involves some data and financial review, as well as just conversations throughout the year about what are best practices and what's most opportunities. So, as we said, really the crux of the program is addressing greatest academic needs. So, each Utah public school is using their councils to address literacy rates or mathematics skills. All those things are addressed with council. And as we talked about before, that evaluation process is pretty comprehensive. Involves the creation of the plan with the councils that it goes through an approval process that starts at the local level, district or charter boards. It also has one of their administrators kind of look at it, as well as us. Any time this diagram kind of shows anytime the process that there needs to be revisions goes back to the councils for the authors of plan and serves their office. Program is pretty comprehensive in terms of testing those needs, and we'll go into some of the sorry more. There's that we are options.

K

Kira Bennett 06:57

That we've been talked about is about local facilities. Trust program intentionally at several different layers. Transparency and a lot of what happens the vast majority, so everything local community council elections to providing open public meetings for public interest local council meetings. Schools have posting and requirements, and governing boards are involved in over how these funds are spent within their communities, and again, that's part for us. That's a good system, and we want TLA and our other agencies because to have the confidence generate are being handled responsibly and specifically support very in that process that we have. Now we'll talk about funding this year. Still need proxies for planning to spend the 130 on the five. That is sent through our office. We have actually formula that's quite detailed, but some factors that look at our importance over time, the prior year distribution, the student involvement, and that's how calculated it's sent to our office next week. That is separated. It's sent to districts, charters, and USDB banks. And then they also receive from the revenues. And then for districts and charters, they are a base. Districts are given a base, and then on top of that, they risk. And then for charters, they receive a base. Many charters have an estimate that they are initially given a distribution center, and then in the second, they are true based on their actual. The average for this year is \$20 per people. And that's really a range because of the base that it's been in districts. It ends up that smaller districts in a large district, and that's intentional. Courses that are needed district and district offices. This program received is less than 3% of what schools annual budgets. It's one of the highest impact, and that's like. Because it is focused on the great staff of schools, but it just look at this further over the last 25 years. You'll see it just it started with a \$9 million distribution, and now we're at 1 million per 5% We're only at a \$10. Welcome to any questions.

M

Mike Nelson 11:24

Have any questions from the board and any questions from the visitors? Thank you for that looking forward to working with you. Next item is the social media minute. Yolette, communication specialist here.

J

Joelette Organista 11:53

Awesome. Well, I'm excited to show this next video. It's a little longer than usual, but it's highlighting our land planner here at TrustLands, one of our land planners, Josh, and so we will see a little bit what he does here at TrustLands.

P

Presentation Audio 12:12

Let's do some land planning. Few things we take into consideration when we're doing long-term planning for TrustLands. Let's take it back to the beginning and start from square one. So when we first take a look at a piece of land, we want to look at land ownership. Blue is typically how we show TrustLands on map. These yellow areas are private property. We look at areas that have existing leases, like this in area in pink, and then we like to look at existing transportation. So that's roadways, that's trails, that's pathways. We also try to take a look at topography. This red dashed lined is the edge of a cliff, so we can't build anything beyond that. We try to look at drainages and stream channels and stormwater creeks and washes, and then we try to identify a specific area to plan. So, looking at a developable boundary. Here in green, we can look at areas that are potentially developable in the near term. Versus this yellow is what we would call long-term planning, because there is an existing lease that would prohibit development. We start to look at potential new roadways to access the sites, different phases, how we would potentially do roads long-term after leases end, and then how would we subdivide these into future lots for commercial development, housing, residential, hospitality, recreation. One example of recreation is in this really cool peninsula piece. What if we did an RV park? We've got cliffs on either side, and it could be really cool to maximize these beautiful views over the canyon, looking over Lake Powell. So yeah, those are just some of the things we take into account when we're planning TrustLands

J Joelette Organista 13:43

awesome. So I wanted to do a spotlight. I've been doing spotlights of people who work here at the agency and what they actually do. Because if you work in the office here, you know what they do, and if you don't work in the office, so it's been really cool to sit down with a lot of my and learn about what they do. I've only been here almost three years, and it's it's fun to know everyone's just so different. And so I've been doing a highlight on Josh, our one of our land planners, and that was just screen share of you know the tools he uses, what he's thinking about, what he's thinking about when in regards of TrustLands compared to why what I think about in regards to TrustLands, different categories, but it was really fun to spotlight him all this month on our social media. So if you don't follow us already, please follow us. And again, it's to educate people what we're doing here on TrustLands and to be as transparent as possible. That's it.

M Mike Nelson 14:43

Great, thank you, Jill. I neglected at the beginning to welcome our visitors, so visitors, you are welcome. We look forward to the rest of the meeting. In fact, this is the public comment period. I think all of our visitors were of. With Valor, is that correct?

I Imaan Ahmed 15:09

You read this, please.

M Mike Nelson 15:10

Yes. TrustLands welcomes comments from the county advisory committee, public, and other interested parties. The board sets aside 15 minutes at each board meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity and has up to three minutes for remarks. Any member of the public participating electronically who desires to comment shall use the raise hand feature during the public comment segment of the board meeting. Is not the time for a question and answer discussion. Westland staff is available outside of board meeting. Having read that now,

S Stephanie Barber-Renteria 16:00

do we want to start online? We've got seven folks in the room that would like to speak, and then we have anybody online, Vince.

V Vince Wayodi 16:10
Could we ask them to use the raise hand feature?

S Stephanie Barber-Renteria 16:12
Oh, okay. Folks online, would you please use the raise hand feature if you'd like to give public comment?

M Marcos Santana 16:20
None so far. That's why I'm waiting.

S Stephanie Barber-Renteria 16:22
None so far. We've all had

M Michelle McConkie 16:23
one pop up.

S Stephanie Barber-Renteria 16:23
Oh, okay.

M Mike Nelson 16:29
We will turn the time to Kyle Weston, who's joining the meeting tronically. Kyle, go ahead.

K Kael Weston 17:12
Yeah. Hello. Can you hear me?

M Michelle McConkie 17:14

Yes. Yeah. Are you able to turn on your camera, mr. Weston?

K Kael Weston 17:18

I'm on the webinar function, so I'm looking to do that. But you've unmuted me, so I'll be brief. Thank you for the opportunity to speak to your group. I followed you online for a while. I am a member of the Federalism Commission in our state, but I want to focus on what the plan are presented. And thank you for highlighting all of the good work that you're doing, given the focus on the housing crisis, not just in our state but basically everywhere, I hope that in the future we can maybe get an update as a public and taxpaying member of our state. What's what the focus is on workforce housing and and and those folks that are looking to just get started through some of the projects that you're you're focused on, but thank you for all the work you're doing. I'm also the son of a longtime Utah public education teacher. That's all I have to say.

M Mike Nelson 18:14

All right, thank you.

S Stephanie Barber-Renteria 18:15

Like Commissioner Haddock is also online, please. We should be ready for you, Commissioner.

K Kelly Williams 18:39

Isn't you?

M Marcos Santana 18:46

He's working on us. Not muted. He's muted himself.

S Stephanie Barber-Renteria 18:51

Commissioner, can you hear us? We're ready for you. If you'd like to give your public comment. So we come back.

 **Mike Nelson 19:06**
Yeah, yes, the commissioner will return to you and try to make the connection work there.

 **Stephanie Barber-Renteria 19:14**
Okay, right. That's

 **Mike Nelson 19:15**
the limit of the public comments. I do have some.

 **Stephanie Barber-Renteria 19:21**
Sorry, Dr. Nelson. We've got seven folks in the room. Yes, they

 **Mike Nelson 19:25**
want to. Oh, they want. We've got

 **Stephanie Barber-Renteria 19:27**
seven folks in the room that would like to speak to. Understood.

 **Mike Nelson 19:30**
They wanted to go at the end of the meeting.

 **Stephanie Barber-Renteria 19:31**
Sorry, I've got one person. No, just one person who would like to speak last during the couple period. I apologize for the miscommunication.

M

Mike Nelson 19:39

So our in-room visitors now. The

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Stephanie Barber-Renteria 19:42

first person we have on our list is Harry Hanson from Valor. And just a reminder, we've got three minutes. Tony will cue you when you've got 30 seconds left.

H

Harry Hansen 19:52

You stand here, sit down, sit down, sit down. Yeah, you got it. Good. Thank you, board members. And chair for this opportunity. Thank you also for allowing me to bring my children here and see what their dad does for work. I'm Harry Hanson. I do public affairs for Valor Atomics, and my family is actually from the Huntington area. That's where I was born. My dad was a coal miner, and when I was about three or four years old, my dad got into a mining accident, and my mom said, "That's enough. We're leaving. There wasn't really much opportunity for additional jobs outside of that industry, and so we moved up to Salt Lake. Essentially, when I talked to my mom about working for Valor Atomics, I asked her if she ever thought there was going to be an opportunity for me to, you know, work back down in the area that I grew up, and she said never, because all the development was happening in the Wasatch Front and outside of that area, especially with you know previous administrations that were looking to shut down the coal country and the the economy there, it was looking pretty grim for Harvard and Memmot counties. And so now that we have the opportunity to have this type of a development and investment in this area, from my experience, both my family being from the area, and from my experience working with the public and talking to city and local leaders, and just the general public itself, they're very supportive and excited about what we're doing. Now, Valor's at the point where site control becomes the next conversation when it comes to off-takers, so we're really excited. That's a big step for us, and once we can get that step going, we can now we can have those conversations about bringing in opt-takers for the power they're going to produce. So we're really excited and appreciate being able to work with you guys. It's been amazing working with you all so far, and we look forward to continuing it. Thank you.

M

Mike Nelson 21:36

Thank you for your comments. I believe I've been told that this is the first year in history that no coal has been mined in Carbon County.

H

Harry Hansen 21:44

I think that's correct, but I think Commissioner Johnson might be able to answer that



Mike Mower 21:48

question a little bit more accurately. Yeah,



Mike Nelson 21:50

thank you.



Stephanie Barber-Renteria 21:51

Okay, next we have Tracy Reese from the Office of Energy Development.

T

Tracy Rees 21:58

Thank you, TLA board members. Appreciate the opportunity to be here today. I'm Tracy Reese, Deputy Director with the Utah Office of Energy Development. One of the units that I oversee in my role is the Utah San Rafael Energy Lab. Fowler Atomix happens to be a tenant on state land at the lab, and I'm here to speak today about what that experience has been like to have our partnership with Fowler. First, you probably read in the paper that they were one of just 11 projects to be greenlit by the Department of Energy, the Federal Department of Energy, to do a project to reach criticality to help our energy achieve its energy goals. That's true. You've probably read about that in the paper. The other thing you've probably read in the paper is that they bested that goal. They the goal was set for July 4. They reached that goal June 18. So they were way ahead of schedule. What you're not going to read in the paper, but is equally important for your consideration here today, is the fact that transparency and accessibility are ethos for Balor. I see that in our weekly coordination meetings. I see it in the unfortunate but repeated last minute requests for chores for community members, local leaders that they always accommodate to make sure that people understand what it is they're doing. They are great community partners. They also treat that community engagement as essential to what they do. They bring in local talent from caterers for events and open houses to construction. They hire local talent that brings money into that community. That's money that goes directly back into that community. So it's more than a partner partnership. It's an investment, and I'm extremely confident that our Utah San Rafael Energy Lab is in a very enviable position of having multiple projects because of Valor's presence. It was Valor coming into that community, setting up house there, and executing their project that showed the value of the lab. So we have a lot to be grateful for. That we've seen this multiplicative effect of having Valor be a partner for us and drive further investment and further projects. So I just cannot recommend strongly enough a partnership with Valor. It brings an economic benefit. They're great partners. They they understand community engagement isn't something you do just in a time of crisis or when you need to respond to something. It's fundamental in how you set up shop. It's fundamental to how you you do your standard operating procedures, your daily operations. And I've been very fortunate to work with them and to enjoy their partnership. And we're really excited about what they're doing at the lab, and we're really supportive of their efforts to try to expand their footprint here in Utah. And if you have any questions about our partnership with Valor, please reach out to me. My email is the easiest ever. It's trees@utah.gov, and happy to answer any questions that you might have. But I really encourage you to give serious consideration to Valor's request because it's been very beneficial for Utah so far. Thank you.

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Mike Nelson 24:47

Thank you,

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Stephanie Barber-Renteria 24:48

Commissioner Johnson. Yes, thank you. I'm

L

Larry Jensen 24:57

Larry Johnson, County Commissioner and Carbon. I've been a commissioner for just short of eight years, and we, Chairman, you mentioned no coal being produced in in Carbon County. That's been going on for about four years. There's not been a single ton of coal produced in Carbon County, which is very unusual because we've kind of been the hub of that for well over 100 years. So, as the coal closures have occurred and the value of of all of those mines have been removed from our tax base, it's put our homeowners in a real bind. We we have dealt with lots of folks in our effort to bring new industry into Carbon County. Many of them have been turned away because there was no power available with Rocky Mountain Power. So the new legislation that allows now for power to be produced, like Valor is proposing, be sold to those who can use power. It's critical that they have a good footprint to land on and a large enough area for multiple businesses to to come in. So, as a commission, we're very supportive of Valor. They've been very engaged in our community, both Carbon and Emery County, and educating. That process needs to continue. I'm sure that they will be a big part of that, as well as the State Office of Energy. We appreciate what you do here and realize that this topic is a hot button now, along with data centers, and I think it's important that you understand that the Carbon County Commissioners are committed to allowing these things to move forward. Even with the pushback, we realize that there are a few in our community who will push back, but the silent majority are the ones that we really represent, and we feel like they will be supportive of this as they're educated and learn how safe this process is. So, thank you,

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Mike Nelson 27:20

Bishner.

S

Stephanie Barber-Renteria 27:22

Housekeeper.

J**Jess Housekeeper 27:28**

Morning, and thanks you for hearing our comments. My name is Jess Housekeeper. I'm a Emery County native, county resident now, and director of Utah operations for Valley Vitalics. We appreciate your consideration. As we spoke last month, this is an important important milestone for Carbon County to build on the Energy Foundation, which they have established over, like Commissioner Johnson said, maybe 100 years, right? And to continue that legacy. Maybe it's not in coal. Maybe it is, right? That we're not dissuading that at all. But to push forward in the next era, in the next phase of energy development, in a community that has already based itself on that, that has the workforce, that has the personnel available to operate those machines, to build them, and to do that safely in conjunction with transparency to the public is quite amazing. So thank you very much for your consideration. I would highly encourage the the approval of that land that we can move on and have space to really flesh out all of our grand plans and our aspirations to bring energy back down to almost meaningless cost. Right? Just think of the things that can be accomplished with something when you have energy. I was looking at this glass of water that it's it's sweating here and the condensation on it. Think of the energy that was required just to make the ice to purify the water to bring it here, and we're kind of experiencing a difference in our regular first world quality of life with the heat that's in this room. Right, all of these things take energy to make our quality of life what it is, and we would like to not only bring that quality of life up for residents of the United States of America, but also the entire planet, right? So some folks may have never seen ice in their life because they don't have enough energy to produce ice, right? So think of that-that you could produce that and and have that energy just all over the world. Uranium is amazing, right? Your entire lifespan of of energy needs is about the size of the dumb dumb sucker in uranium, right? And there's a ton of uranium on on the planet, and we would like to exploit that and release the energy to allow that to again onshore jobs to America and make nuclear great again, and just bring that quality of life up for people all around the planet. So it's amazing that it can start here, right? Each of these ideas start with just an idea, right? Or each of these, sorry, each of these big projects and these big accomplishments start with just an idea, and it's it's it's kind of growing out to not use a too terrible pun, but to a critical mass, right? As we expand and grow into these different areas. So again, thank you for your consideration.

M**Mike Nelson 29:57**

Thank you.

S**Stephanie Barber-Renteria 29:58**

Next, we have Terry Bell also works, Valar. They're here. The place

T Terry Bell 30:22

is fine. Thank you for the opportunity to come and talk with you here at the Trust and Lands Administration. So I actually came here as a Emery County native who moved away? My career has been in radiation protection, and as I got older, I would always mention when I came home to visit my mom that they need to build some sort of reactor so I can move to my hometown, and lo and behold, that came true. So I was able to come home, and Ballardomics has made a huge impact on the community. the The amount of open houses that they have, that we have, and the interactions in the grocery stores. That that really helps with the community gain and understanding of what exactly we do out there. So I mentioned that I moved away. So I have 26 years of experience, and that allowed me to come home. And 26 years ago, someone gave me the opportunity to get in radiation protection. I was. I am going to be hired locally within our departments and train up homegrown radiation protection technologist or health business techs. Valor has really helped me. There was a time not very long ago where I got really sick, and I kind of got into a funk. wasn't making any progress in my recovery, and Valor gave me the opportunity to go to work for them, and sorry, I'm no longer using oxygen or having to walk with a cane because of the opportunity to get up and go to work every single day. Sorry, but Valor Atomics also has the potential to become Idaho National Lab. I worked up in Idaho for 22 years, as well as other sites around the country. Up in Idaho and Idaho, mr.

S Stephanie Barber-Renteria 33:31

Bell, I I apologize to interrupt, but we're at our three minute time. Okay,

T Terry Bell 33:36

thank you.

S Stephanie Barber-Renteria 33:40

We also have Ben Orgyll with Balor.

B

Ben Orgill 33:55

Good morning. My name is Ben Orgyal. I'm a lifetime resident of Utah, I've lived in Emery County for all of my life except for the time that I was at Utah State. Excuse me. As I was on my way up here, I was thinking about the invitation that I had to come up and speak with you today, and my initial impulse was to say no thanks. I don't want to make the three-hour trip. You know, it's 150 miles one way. I thought I've got a lot of other things I can do. I don't need to be up here today, and I didn't. I really didn't want to come up. And the more I thought about this organization, about Sitla, and the impact that you folks have had on my life, I thought I have to come up. If nothing else, I've got to come up here and say thank you for the impact that you folks have made on my life. Inception in 1994 was the same year I graduated high school. I went to Utah State, and I know a lot of the work that you folks do here benefits a lot of the universities and other hospitals and organizations in our community. And I've been a direct beneficiary of the efforts that Sitla has made over the years. I've worked in oil and gas in the in the coal-fired power. And coal mines and things and other leases. I've worked for a large construction company in our state that uses a lot of Sitla property for leases for plants and gravel pits and all sorts of things. And as I reflected on all of those opportunities that have been made possible by Sitla, I thought I have to come up here and offer my sincere thank you for the impact that you've had on my family. My daughters at Utah State now benefiting from the efforts that you do. So, thank you. The second thing that I wanted to be here today and share with you is I went to work for Valor in May of 2026, and had a similar experience with them. They asked me if I would be interested in coming to work for them, and at first I'm like, I don't know. It's nuclear. I don't know about this. I went up to Mother and learned about what they were doing, and realized, you know, the coal that I love, the coal that still heats my shop, is a dirty science, and there's a better way. And as I learned about nuclear, and I learned about how safe it was, and I learned about how it can bless the people in our communities, especially in the extreme frontier areas like San Juan County and other places that don't have electricity to every home, this is an opportunity to really forward the effort of our nation and our state, and really put us on the on the forefront of supporting the people that are at the most need in our community. And I want I felt like I needed to be here today, and want to express my gratitude and thanks for what you do, but also ask you to really seriously consider what Valor has to commit or contribute to our community and extend those leases. You know, Commissioner Johnson mentioned the silent majority. I'm from the silent majority, in case you can't tell by the way I'm dressed today, so being here is a little uncomfortable for me. But I do appreciate all that you do. I appreciate the work that's gone into it, and I'm grateful for Valor and the impact that they've had on my life, my career, my education, and my my children's future. Thank you. We

S

Stephanie Barber-Renteria 36:57

have two more online, and then mr. Gardner in the room to possibly go last. Is it okay if we go back online? We can try.

 Mike Nelson 37:05
That will be fine, thank you.

 Stephanie Barber-Renteria 37:06
Okay.

 Vince Wayodi 37:08
Cherish. Trying charity. How can I share?

 Stephanie Barber-Renteria 37:11
Commissioner Haddock.

 Jared Haddock 37:14
Yes. Can you hear me?

 Stephanie Barber-Renteria 37:15
Yes. We've got three minutes.

 Jared Haddock 37:17
But I figured out this IT thing. Hey, I I just wanted to second what Larry had had shared about Carbon County and where we're at. I wanted to be there myself, but we somebody's got to hold down the fort in Carbon County so it doesn't go crazy while we're away. We we just wanted to thank you for all your support for Sitla and for Valor. I think they've just been wonderful players. We definitely need their support, and we've seen how often they've met with our public and are doing their best to educate, and and that's what we need here. So anyway, just just wanted to leave that with you. Thank you.

S Stephanie Barber-Renteria 37:58
One more online, then

V Vince Wayodi 38:01
only Martinez.

S Stephanie Barber-Renteria 38:02
Oh, Commissioner Martinez. Yes.

T Tony Martines 38:04
Good morning. How are you?

S Stephanie Barber-Renteria 38:06
Great. We we've got you. Thank you.

T Tony Martines 38:08
Thank you. Yeah. I also want to share and extend my thank you and gratitude for Valor. All the folks that are involved with that, they've been just a class act from the beginning. As the other commissioners have said, yes, we definitely, definitely need the growth in our part of of America, our special spot in Utah, and Valor has just fit right in. We are energy producing communities, and you know, to go from the coal, the oil, the gas, the solar now to nuclear just fits tremendously into the long-range plans of Carbon County. So we have the workforce, we have the space, we have all the infrastructure. Valor has gone above and beyond just trying to connect with the community. They have nothing to hide. They've had open houses routinely. They're going to have more coming. So they're just a good neighbor, a good fit, and we couldn't extend even all the gratitude that we have for these guys. But just want to see them be successful and help out any way we can.

S Stephanie Barber-Renteria 39:12
Thank you. Okay, in our room we've got Corey Gardner from Color.

C

Cory Gardner 39:21

Thank you all for being here. Thank you for allowing us some time to give some public comments, and for allowing the friends and family in the room, supporters of Valor, to talk. I want to start by saying thank you to the TrustLands Administration Board, Executive Team, State of Utah, Emery Carbon County, and the fine folks online, the folks in this room, for specifically supporting Valor on our mission, which is to make energy cheaper and more abundant in the universe more than ever before, and we're doing that here in Utah today. We started, I think, April was when. Max came to look at sites in September. We broke ground at the Sandra Fell Energy Lab in Emery County, Utah. In November, we took a portion of our core critical at the National Critical Experiments Energy or National Critical Experiments Research Center in Nevada, and then in June of this year, we became the first private company founded after the Manhattan Project to produce nuclear power. We're going to continue to build and turn on reactors, not just because we want to or can, but because it is necessary. America stands no chance against our adversaries without energy abundance, and we believe that that should start here in Utah. We've started that process today. The reactor down in every county is called the Ward 250 Reactor. It has enough fuel to fit about the size of a five-inch cube today. It's very lightly loaded. It's not a fully loaded core. That five-inch cube is enough energy to drive a car around the world 7000 times, and we want to continue to put down reactors right here in Utah. And with your support, we thank you in support of the Ball Atomics mission. Thank you.

S

Stephanie Barber-Renteria 41:16

Okay.

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Mike Nelson 41:17

Well, speaking for the board, we'd like to thank all those who gave comments today. Many of you traveled far, spending time, and we appreciate that. Also, appreciate people willing to talk about things that are very meaningful to them and show some emotion. I think that's very valuable. Next item on the agenda is my report. I've been thinking about this a lot since the last meeting, and I started writing down what I planned to say, which is unusual for me. I usually just, but I'm not going to. I started out. I had three pages I was going to give here, but that's too much. So I'll just speak briefly about what I have learned, and I think what trust has learned in this process, and what we hope to continue doing with all of our clients, we have a history of a an organism of using natural resources. People have been using rocks to make tools, things like this forever. Sometimes I think the value of the you of the resources and what they can be used for leads us to get ahead of ourselves. There are a lot of examples of this. You can see a lot of this in the coal mining industry. Some of you may know about the Schofield disaster, 1800s, where 205 miners were killed in explosion. They ran out of coffins in Utah. They had to order them in from Denver. And our current understanding and practices that could be avoided. Similarly, I think everyone here probably is aware of the big mine that Rio Tinto Kennecott operates on the west slope of the Ochre Mountains, and they they've been in operation for many years, produced a lot of wealth, employed a lot of people. But in the 1880s, South Jordan Water Conservancy District sampled their aquifer and found out that it had sulfate salts and sulfur dioxide and or hydrogen sulfide in it. Basically, these were just chemicals that had gotten into the water that was draining through chemist operations and were now going out to mix

with the water in the South Jordan Aquifer, which many people depended on for culinary water and other things, so that was maybe an unseen consequence. But it required. This was 20 years ago. Now Rio Tinto built a water treatment plant that cost \$110 million. Fortunately, they had the depth to do that. But we see many examples where people or companies or others resource operations into practice, recovering resources, and then for one reason or another, they don't finish up proper properly, and there's a cleanup that's left usually to be done by the government. I remember I lived in England for a couple of years in a coal mining in Derbyshire, they'd been mining a four-foot seam there for 120 years. About every other man you'd talk to couldn't stand up straight. So, the development and exploitation of resources can lead to lots of problems that we need to continually be aware of how to avoid them, and I think as we've met with the folks from Valor, I've been happy to see that they're doing that. I think a lot of the times this was a new project for us at the trust. We didn't. We weren't always always sure what to ask about. What. Going to happen, and probably still aren't sure of everything to ask about because this is a first, right? And what we see, I think, in the people from Valor is they have a willing to learn, prove what they're doing as they go along, rather than just get it into production as quickly as you can and start the cash flow. And those are the the things that are are usually in conflict. But it struck me as I was thinking about all this that the the trust has a fiduciary duty as a trust and a lawyer. We understand that the state TrustLands are here to provide revenue for their beneficiaries. Beneficiaries are identified in the enabling act passed by Congress to allow two Utah to become a state. So you can't just stop doing it to do it. So I think I'd really like to have all of us think more about this. To think about what are the resources that will provide value from Marla's activity, not just oh the product or yeah the reactor is heating up now. It's working. We're done, right? I'm sure that won't be the case, but if we look at it in in some depth, I think we'll derive a lot of benefit from everyone doing that. And I think part of the challenge that those of us with trust has is a lot of the resources that we lease or sell or whatever require a lot of attention after the initial work is done. Like a subdivision or a shopping mall may sell them or lease the land to the company that builds that, but after go into the you know the Costco or whatever it is once a month to see what they're doing here, I think we have the opportunity to do that because you know the technology in the first step is proven, but it has great potential. Says and it also has risks, as everything it does. So I would say thanks to the people from Valor for continuing to respond to our questions. We haven't gotten tired of them, and I'd also say we, as the trust, would like to continue to be involved with this process. And part of what we are accustomed to in a lot of our processes is a way to not just use the value of the land as it stands, but also to use the value of the technology, producing new resources. And one of the big revelations I had, and this is funny now, as I was thinking about this, is that energy, the resource, maybe it's the first energy we used was from the sun. Have greater and greater demand for it. I think we have the opportunity here in Palar to really do our collective best to make sure this is done right. And I don't have to say anything about data centers now and how people feel about them. They're just every time you listen to the radio or whatever, people are worried about the release, and I mean that's a potential use for energy from this project. But we need to consider all those things very carefully, looking a long term. So those are my thoughts for the meeting. I appreciate your attention, and happy to further this discussion online or offline whenever it's appropriate. It's now time for our director's report from Director McConkie. The time over to you.

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Michelle McConkie 48:55

Thank you, Chair and Trustees, and thank you also to Director Bennett and her team. I didn't know maybe you opened this this room to a little cooler climate, but thank you for your

know maybe you escaped this room to a little cooler climate, but thank you for your presentation for all the great work you do as well. We are certainly going to miss Paula, but enjoyed working with Cara over the last few years and are really excited to continue working with her. So I am doing a fiscal year 2026 year in review. We our fiscal year ends the end of June. It does take a little while for all of the final numbers to come in as different receipts and payments and things come in. And we also had an incredibly long meeting last month. So between those two things, decided that September would be a great time to to focus on that. I'm really going to be focusing on three different things: the revenue that we made this last year, of course, since that is always going to be at the top of things that we discuss, money we make for our beneficiaries, also the increased focus on proactively planning and managing and and finding ways. Make money off of the land we have, as well as collaborative efforts that we, as an agency, have have been putting increased focus on. So, fiscal year 2026. Now, you all receive the reports every month that Deborah sends out, which are excellent. That have a breakdown of the different revenue, but I wanted to highlight it here as well. So we didn't just have a good year; we had really a historic year. We had a record-breaking year, 192.48 by the agency this year, and that to put it in in perspective, fiscal year 2025 was also a very good year-not record-breaking, but a very good year. That was 142 million, and the second highest year we ever had was in 2022, where we made 166 million. So this was almost 30 million more than our second highest year, and and that that 2022 year was actually my first year as director. We had a very large land sale that year of \$20 million. We had some large land sales this year as well that I'll touch on as well. But we're really excited about that. I'm going to get a little bit into kind of some of the stories behind the numbers and get a little bit into some of the reason for these successes. So energy and minerals, we did we did see a little bit of an increase in royalties from oil and gas due to just rising prices in oil and gas throughout the world. It was not as much of a factor in fiscal year 2026. Of course, at end of June, the end of June, it will likely be more of a factor as we're looking at numbers that are coming in for fiscal year 27 that we're currently in. We had an increase in drilling on split estate leases that really helped bring those numbers. I just realized I did not actually go through and do the breakdown really quickly. Energy minerals was 78.5 1 million, residential and commercial real estate 57.94 surface resources 56 03 so the 78 million once again energy and minerals was our largest revenue producer I think develop real estate development crept up just ahead of them last year so they're they're they're back up there again we've had some increased drilling on some split estate leases. Duchesne County, in particular, has been very, very great, very productive this last year. And getting more drill rigs on the ground and more drilling going is certainly helping. We've also seen a steady growth for renewables of solar and geothermal and other renewables that we have as well. We also are just in general a diversification of the portfolio. Uranium is starting to bring in more money than it had before. See from some of the discussion we've had this morning, the increased demand for uranium. Why that would be with more of a focus on nuclear. Also, not in Carbon County, unfortunately, but coal is is finally the numbers are starting to climb back up there as well. We had over a million in coal, and it's been a few years since we've been there with coal. We did open up in Emery County a new new phase of a mine that actually we acquired in the Dingle Exchange with the federal government, so that was also great, and so we're happy to see some of those numbers climbing up as well. Residential and commercial real estate, there has been a little bit of a softening in the real estate market, but we've still been doing very well. I wanted to quickly highlight one project, Amara at Coral Canyon. This one has actually not brought money in yet, but this is one that you have heard about. This is the project that is the attainable housing project down in Washington County. We've worked with Cole West and with Washington County. If you were on the board tour a couple of years ago, we went down to St. George. We actually were on the bus. We run around around this area, which at the time was known as Landfill Road. It is now known as Country Lane, which is probably a better place for people to live. And we've worked really closely with

Washington City, and they've been great partners and West as well. This is the project that we sent out information earlier this week that the governor's office has awarded the Utah's First Homes Award, and it's we did after the board approved this in 2024. We do now have a development agreement in place for 212 attainable housing units around the 415 to 450 1000 per unit price point, which is attainable housing in Utah at this point, and it's been a ton of hard work by our development group. A lot of. Willingness for our agency for the board to look at new ways of doing things. This is a piece of land that honestly may not have been developed had we not had these strong partnerships with the city and with the developer. We are taking a slightly lower percentage than we normally would take. However, this is on land that otherwise would likely have not been developed, and the absorption rates, as we've done all of our forecasting, show that we're going to end up considerably more than we would have just because of the the absorption rates and how how we're going to be able to to sell these. So I'm sure you will have well, we'll make sure there are additional updates on this project, but that's just an interesting one I wanted to highlight. So Surface Resources had an incredibly good year, and we had three large land sales that I wanted three high value land sales. I wanted to to briefly touch on. All of these have been in front of the board over the last year, but I wanted to also highlight them again. Sorry, don't that the first one is what we call the West Mona Parcel, which is a piece of land, not surprisingly, west of Mona. This was 920 acres. It's in Juab County, and we sold it for 5.56 million dollars. This is a piece of land that we received through the Dingle Exchange government, and it was sold to R6 Regional Council, which is an association of governments for an agricultural park. And I'm highlighting. I want to highlight these these sales, but also want to make it clear that I think I one one fear I had about seeing these record breaking numbers and these large land sales, which certainly helped get us to those numbers, is that there might be a feeling that we sort of got lucky that hey you know these sales fell into our lap and we have a good year. Each one of these was years and years of work, and so I want to make sure our team and all of you have been involved and have worked through all of these get credit for that. That these were not luck. This was a lot of strategic planning and a lot of hard work. The Dingle Exchange took years and years, and we were able to get an incredible return on our investment by selling this land through a competitive process, and it again resulted from the Federal Land Exchange, the Dingle Act. The Woodruff South Parcel was a little over 16,000 acres in Rich County. It brought in 7.4 5 million, and we sold to Farmland Reserve through a competitive process as well, and this was another one that was through the Dingle Exchange that we were able to get this piece of land. That was the one you may remember that also had incredibly high cultural resource survey. It was almost it was over 700,000, and we had a buyer in FRI who was willing to not disturb the land for several years until this area is cleared, and to actually pay for those costs in addition to the purchase price. So that was a lot of hard work, a lot of holding hands and talking through things at lots and lots of meetings. So we're really grateful that that moved forward as well. Finally, the Book Cliffs Roadless Area, which you're all very familiar with in Grand County, and that was made possible through some legislative changes HB 262 years ago that gave us a framework for if the agency and the board was comfortable for us to be able to negotiate directly with Department of Natural Resources. Not a requirement, but in situations where it makes sense, where there's areas 5000 acres or larger, where we want to negotiate directly, where we could do that, and that was almost \$30 million. It was 29.6 7 million, and it was heard from the board in May of this year and closed in June. So that's a little bit more behind those numbers. We've also been continuing to have more of a focus on proactive planning and management of our land. Organizational and some cultural shifts have helped this, and that's not to say we have not been proactive in the past. But we wanted to make sure that there was even more of a focus. We've been able to do some shifting of people in different and different positions, so that we can have people who are really focused on the being in the trenches and bringing deals forward, but also have some additional some of our deputy directors, who, for example, who can spend more time building

relationships, looking at more long-term planning issues as well, and that's been incredibly effective. We also have several dedicated land planning positions. I did not plan that with Jolette. That was perfect that she showcased that today, and that has been. Incredibly helpful little things like we we had a an aggregate permit, and we were able to work with our planner to make sure that hey, when they're mining from this area, this is an area that in the future we may want to develop for other purposes. Let's have them have them grade it in a certain way so we actually can get that benefit now, get the money for the aggregate, but then be able to use that in the future, not have to go back and do some additional grading. For example, that's just one of the way having planners involved early in the process can help us on existing projects plus future projects. We have working groups that we put together in the little in the last year, who were focused on water acquisition characterization of the lands, which I think we've talked about with with many of you, as well as valuing our surface and our subsurface lands. We've increased the financial analysis. Again, we've been we we've done financial analysis on our projects, of course, for years. But if it seems like you're seeing Eric being in more and more committee meetings, it's it's because you are seeing him in more and more committee meetings. He before had had technically been assigned to our development group only, and as we've looked at the value that those reports bring and the depth he's able to get into, it didn't make sense that that was just for one area of our business. We do so many different things, so he's been more and more involved, and that's been incredibly helpful. We've also been working on business process mapping and bringing the groups together earlier in the process to get inside as soon as possible, because we do so many different things, and a piece of land isn't just isolated. It can be one thing that happens: you issue an easement on a piece of land that may seem simple. There can be ripple effects throughout, and we're wanting to make sure we're catching those things and working through those things as soon as possible. The last thing I'll focus on are some of the collaborative efforts that we've been really trying to strengthen. We're so grateful to work with our advocacy office beneficiary representatives. We are able to meet with them frequently and appreciate that those relationships. Other state agencies. I started listing those, and it it was a whole lot of acronyms. But I will say we're very fortunate to have good relationships with so many other of our of state agencies, we are an independent state agency, but we have found over the years that it makes so much sense for us to work closely with the Department of Natural Resources and all the divisions under the Department of Natural Resources, especially Office of Energy Development and Forestry, Fire and State Lands, wildlife resources, all of those divisions and and that department, as well as public land policy coordinating office. I'm trying not to use acronyms here. It's hard not to as a state employee, but so many other agencies. And again, weird independent agency, but to the effect that we can work closely with these other agencies, it just brings more power and more more thought process, more brain power to what we do. So instead of us, you know, instead of it being us operating in a vacuum, we're able to be at the same table and have these discussions, so that when maybe the governor's office of economic development, for example, has potential projects that that they're trying to bring into the state, we've been building these relationships, so they pick up the phone and give us a call and say, "Is there a piece of land that makes sense here? and in in my experience, that brings so much more to the beneficiaries working together and having a seat at the table. So we've been really focusing on that. We work closely with industry organizations, governor's office, legislature, local governance, governments, and county organizations. And again, all of those things take a lot of time, but building those relationships, we found have been incredibly helpful. Those are the main things I wanted to focus on for fiscal year 2026. I'm happy to answer any questions. I know I've gone a little bit long in this in this room. Everything feels a little long, but just wanted to ask if there's any other questions and give you those updates.

 Mike Nelson 1:04:20
Questions for McConkie.

 Michelle McConkie 1:04:26
Thank you.

 Mike Nelson 1:04:30
Next item on our agenda is the advocate report by Liz Mumford, who is the director of the School and Institutional Trusts Beneficiaries Advocacy Office.

 Liz Mumford 1:04:43
Good morning, Chair and Trustees. It's great to be with you this morning. I just want to share a brief comment. Having participated in the committee meetings as the representative of the beneficiaries, I just wanted to commend the the great deliberation and good questions from your body. And and the great work of the staff to evaluate and prepare for this project consideration. So, just a kudos to the process because it is a complex issue. We didn't observe any changes to the contract terms that were proposed since the last meeting. So, I don't have any additional comments. Just wanted to restate that energy infrastructure projects of this scale and industrial nature are critical for the beneficiaries across our state. And when TrustLands can align with state initiatives and county support on these types of projects, it's a win for the beneficiary. In this case, it is the public schools portfolio that's impacted by this particular parcel, and that creates ongoing impact for students across the state on a local basis. As with my background in public education, it also uniquely supports the the schools in Carbon County. When jobs are created and there's new economic opportunity that creates a tax base, it's a really powerful driver for those local schools in the intermediate term, so it has that twofold impact. On behalf of the beneficiaries, we just support continued rigorous discussion in committees as these types of business opportunities observe, and we appreciate the risk analysis and robust negotiations every time one comes forward. So, thank you for that.

 Mike Nelson 1:06:23
Thank you. We now have action items on our list. First action item A is the proposed special use lease agreement. Another business arrangement. Lands located in Carbon County, Utah. Plus or minus 640 acres with Valar Atomics. This was analyzed by Brian Torgerson, Assistant Managing Director, Mike Kealy, Lease Manager and Managing Director on Surface Resources.

J**Jim Davis 1:07:06**

Good morning, Chair and Trustees. We're grateful to be with you again. In the August board meeting, we presented a proposal for a lease with an option to purchase in a deal with Fowler Atomics at the direction Of the surface committee, we presented that item in August for discussion, and we're directed to present it in subsequent board meetings for both. So that's what we're here to do today. We're grateful for the time in between there. You know, the intention of time into the process was to give the board and staff time to ask questions and to learn more about the trusts, the trusts part in in the proposed action. We're grateful for that. Like we did last time, Brian and I are going to pass it back and forth a little bit, and we'll start with Brian.

B**Bryan Torgerson 1:08:02**

We'll go ahead and get started. Thanks, Jim, for the introduction, and thanks, board members, for your consideration. We have abbreviated this presentation slightly because you heard it already. However, because we thought there might be some people in the room, new and new online, who maybe haven't heard it, we kept it largely the same. And so, a lot of this is going to be very familiar. But I'm going to just kind of highlight something. This is the the property itself. This is a picture of it. You can see that it's hilly in the middle, and then it flattens out around around the perimeter to more usable space. This is postured as an other business arrangement, special lease agreement, and we're doing it that way because there's a component of the lease that allows for the lessee to purchase the property, and we'll go into that in more detail. The lessee is Ballard Atomics. They have their headquarters is actually in Hawthorne, California. They actually, you heard about it. They actually have a facility and an operating reactor in Emery County, the state's energy lab there. The initial lease will be for 480 acres. We had this appraised by an independent third-party appraiser, and it came in at \$750 per acre, or 360,000 for the 480 acres. We talked about this last time, but there is a future possibility of a future inclusion of 160 acres upon the Utah National Guard relocation. They lease the southeast quarter of this section, and we've talked to them, and they are agreeable to relocating, they really just use their their lease for some very basic training, and they even identified some areas that they'd be willing to trade into. We just haven't really gone through all those exercises. So this is a a map of the area. This. This section highlighted in red is the actual parcel itself. It's 640 acres, and the Utah National Guard is in this corner of the section right now. It's in Carbon County. It's essentially six miles north of Wellington, and essentially six miles east of Price. The actual legal description is 14 South 11 East, Section 16. It's 640 acres, and it was selected by Valor Atomics following a multi-state search. They identified this parcel as being well suited to meet their federal and state licensing requirements, including the site characteristics they need, environmental conditions that they need, and most importantly to them is workforce availability. Carbon County has a history of energy production. They're looking to utilize and build upon that workforce. This is kind of an overview of Valor Atomics. So their their main goal is to develop, manufacture, and operate a high temperature gas cooled reactor. Their fuel. They also plan on manufacturing trisol fuel, which is very important to this new technology. It's just what keeps it very safe. The reactors are helium cooled, and they utilize the closed loop system, and they're not cooled by water. They they plan to advance the design, testing, and the commercialization of these small modular reactors and its technology. And power generation will support multiple on-site commercial activities, which will include you know manufacturing synthetic fuels, hydrogen generation, water desalinization, data centers, and steel manufacturing. We touched on this before. You've heard it also, but Valor Atomics

has an existing small modular reactor that is operational, and it's at the state of Utah's San Michelle Energy Lab. We'd like to talk about Carbon County Commissioner Support. They sent us a letter. It was addressed to the board. However, it was sent to me, but it's included in this presentation. And I'm not going to read it, but I'll sum it. Essentially, Commissioner Johnson stated that essentially their tax base has really went up, and their taxes increased to the residents because of all the coal mining, and the coal mining industry has come offline. And so they're excited about Valor, and they're supportive of them because they're hoping it will help their constituents reduce their taxes. The county and Valor have worked closely together to put on multiple open houses. They worked with the Utah Office of Energy Development and SERDA, which stands for the Southeast Regional Development Agency, to put on a number of open houses. The first one was in May 1. They kind of talked about how the technology of today is a lot different than the technology of the past, they held a meeting in June. They held one in July. They held one in August. They also held one last week, and so they're very active. And you heard all of that. Some of the key business terms of this deal, which we'll touch on, is the initial lease area, which we talked about, is 480 acres, but it can be expanded up to 400, excuse me, 640 acres upon the relocation of the Utah National Guard and that termination of that lease. The initial lease term will be for 50 years, and then there's two 25 year renewal terms that it's an option for them to renew. The development will be subject to a site plan approval by the TrustLands Administration, which is important because it will allow us to see what they plan on using on the property and doing and developing on the property, so we can plan for and properly bond for those approvals. Prior to construction, the applicant must obtain all required permits and approvals from all pertinent local, state, and federal entities, which is significant. So they have multiple steps and more multiple things they need to do to fully utilize the property. This is just the beginning. They need to get site control so they can have site control so they can start doing all their planning and all that they need. Excuse me, so they can get their proper permit. We'd like to go over the financial terms on this slide. This is another picture of the property. You kind of see the hilly part in the middle and how it's kind of more flat and sloping on the perimeter. This picture actually is looking towards price a bit. It's towards the north, kind of northwest. But there's a 400,000 upfront bonus rental payment, and then in years one through five, there's a \$30 per acre development rent, and that's pretty standard and typical with all of our leases, especially our solar leases. Because the genesis of this is, and the thought process is, we want to give them a little bit of a buffer in the beginning on their rents, so we can get them operational, which is where they make money, and then we will make money. So in the beginning, years one through five, there's a \$30 per acre development rent. After we get the 400,000 upfront bonus payment, and then at year six is when the rents start to increase or escalate, and it will go up to \$206 per acre, or 30% of the full rental. Year seven will jump to \$419 per acre, or 67% of the full rental. And year eight and beyond is where it comes to full rental, or \$625 Per acre, we have contemplated CPI adjustments after year 10, which will allow us to keep those lease rental payments current and in step with inflation. However, didn't make much sense to introduce that in the lease before that because we're giving them rental reductions, and at that point, anyways, we want to talk about this next bullet in a bit of detail. There's a market appraisal that is going to be built into the lease that allows for every 25 years and 25 years thereafter to be considered. And the genesis of this was our solar leases. We were new to that industry. We didn't have a whole lot of comps or information to work off of. We got the best information that we could, and then we priced our leases accordingly. We knew that there's going to be new stuff come online and new information in the future, and so what this does is allows us to consider the market and where it's kind of new emerging to properly price things once we get new information, and in most cases, it takes a couple of decades to get that information, so you can price them, and this will allow us to reprice things after year 25. And this last bullet, we're going to generate about 35, excuse me, \$35 million in lease rents over 50 years, that's just an approximate. This

next slide talks about a financial buyout option, which was very important to Valor. There's an option that's going to be in the lease that allows them to purchase the property. It'll be based on the greater of the net present value of the future lease payments, and I want to quantify that a little bit. It'll be the 50 years of future lease payments, less a credit up to 15 years of rental payments, or fair market value based on appraisal, and that appraisal is always done by an outside party. Valor Atomics desires to lease the property while they're still kind of completing their site permitting in-site characteristics, but it was very important for them very on to be able to purchase the property, and so there was some great discussion and talk about Eric Bain and the great work that he does in doing our financial analysis, and we have calculated many different scenarios where they could possibly purchase the the land from us and what those economics would look like. We just put three of them on here. They're probably the most likely. What it does is it shows the year right here in this column of when it might be purchased, the potential purchase price at that point, but the projected net present value in today's dollars of what that would look like today in in what they would purchase that for, and then the net present value per acre of what that payout would be as a per acre basis. Now is where I'm going to kind of turn the time over to Jim, and he's going to kind of go over to safeguards

J

Jim Davis 1:18:37

Thanks. So every we we work to understand risk on every project that's proposed on TrustLands, and every industry and every activity has some risks. The intent of this slide is just to illustrate some of the ways that that risk will be managed. We appreciate not being the sole authority who has to figure out for every project from square one, how you know the risks are and how they would be managed. Yeah, so you can see here, you know that a the development plan would be required before construction can begin. Citla would have the opportunity to review and to approve that plan before construction happens. Citla would require a bond for these performance and for reclamation. It's likely that the the NRC also would require what they call a decommissioning bond for decommissioning of the of the reactor. Sitla's bond would be independent of of the NRC's bond. The contract will obligate Ballard to purchase whatever property may be needed before the storage of spent nuclear fuel or nuclear waste occurs, and. Would also require that that any material on site is handled or is removed in compliance with those regulatory constraints. There is regulatory oversight primarily from the NRC, but also from the DOE, and as you know, materials are being transported from the U.S. Department of Transportation. We also have support in in certain arenas from air quality, water quality, and from the state of Utah's waste management and radiation control. Carbon County as well has land use regulations, and you know many of these processes and entities have built into their permitting procedures public comment and and lots of lots of discovery opportunity there. Here we wanted to talk about water use and water rights, it's a it's a it's a dry state, and industry often needs a lot of water. One of the things that we like about this proposed project is that the the nuclear technology is, as Brian said earlier, it's a closed loop system operating with helium. It's not an evaporative water-cooled system, and and from Sitlis' perspective, I think the bottom line is that whatever water is needed on site, it will be the obligation of the lessee to obtain that water. If they need to get water rights, they'll have to go through the regular processes at the Utah Division of Water Rights. Those again, those are processes that have opportunity for discovery and public comment. We've been impressed as we've talked with Valor; they're they're cognizant of the water, the water constraints in the state, and working that they're that they'll work to to minimize their needs and to be as water wise as possible. But again, TrustLands hasn't committed any water rights to this project. The basin is closed to appropriations, except for you know basically for a household. So before Valer was able to obtain a water right, they would have to an appropriation from provision of water rights. Thank, we're back to Brian.

B**Bryan Torgerson 1:22:42**

Yes, I'll just sum it up real quick. So the appraised value of the property came in at 480,000 for 640 acres. The bonus rent payment, which is the first year rent, approaches the current property value. The projected 50 year lease revenue to the trust is approximately 35 million, and the conservative buyout net present value is approximately 6 million. We have support from the Carbon County Commissioners, which you heard from today. There's multiple layers of oversight and regulation by local, state, and federal authorities, which we really appreciate, frankly, and Valor Atomix has had a lot of previous accomplishments, which you've heard. They were selected by just to be a handful of people or companies to participate in the DOE's reactor pilot program, and the reactor achieved criticality under that pilot program, and it was the first reactor ever built, which you heard earlier today, outside of the national laboratory. And the reason we highlight all that is because we believe that they can do what they say they're going to do. And so that is the conclusion of our presentation. And then we just would like to open up for questions. And then we have a proposed motion here for you to consider.

M**Mike Nelson 1:24:01**

Any questions for these gentlemen?

M**Mike Mower 1:24:05**

I just commend them for doing a very thorough job, and I would also add that the State Office of Energy Development is one of those that support this as well. I appreciate the testimony you shared earlier, so it's really been vetted.

M**Mike Nelson 1:24:20**

Yes, mr. Pasley.

J**John Baza 1:24:21**

Yes, I appreciate the presentation as well. It's very detailed, and certainly has a lot of value to it. I'd like to ask, you know, the oversight by other regulatory agencies does that require like periodic reporting, or you know, information that is to be gleaned from the development of the project.

J Jim Davis 1:24:48

I'm sure it does, and the agreement between Sitla and Valor would also give Sitla the right to request and to demand report. Inspection reports, other documentation of achieving certificates and receiving authorizations and whatnot. Does that answer your question? It

J John Baza 1:25:08

seems to me wise that we have some continuing engagement with Valor during the lease process. Obviously, we've got skin in the game. It would be nice, in my mind, if there was some ability for Valor to share those reports with TrustLands, who to even come back and report periodically on the progress of their project.

J Jim Davis 1:25:30

That's a that's a great suggestion. I'm I'm sure we wouldn't get any resistance from Valor for updates on the project as time goes on. Our typical Sula lease terms also have built into them the right for Sitla to do an inspection on the property, to do periodic reviews. We can coordinate all of that with Valor, the lessee, of course. But yeah, great thought.

M Mike Nelson 1:25:57

And I would just comment that anytime you're working with the Department of Energy, with their money, there are a lot of reports. Makes my headache just to think about had some DOE grants. Any other comments or questions, mr. Chair? We willing to make a motion. I have one more comment. Oh, okay. So I I would like to thank the trust employees who worked on this proposal, and also the people of Ballar. When the the first proposal came across my desk, I had a lot of questions, you know, and haven't sat down and made a list, but as near as I can tell, working together, the people from the TrustLands and from Valor addressed all my questions, and I appreciate that. I know you know it's a lot of work, right?

J Jim Davis 1:26:56

It's a lot of work, and it's and it's a proposal that's worthy of a fair amount of thought and study, and we appreciate the board's involvement in in all of that. This has been work. We're grateful,

D Dan Simons 1:27:08

mr. Chair. Yes, another question before.

 Mike Nelson 1:27:11
Sure, sure. Are

 Dan Simons 1:27:12
we going to have further input on this lease? Are we approving what you have right now to move forward? The

 Jim Davis 1:27:19
proposal is yeah for a vote to to move forward in in structuring the lease and and finalize the transaction.

 Dan Simons 1:27:28
We had discussion last month about the income that's coming off, and by the way, I'm very supportive of the project and very happy that Bellar is interested in doing this with us. But we have a fiduciary responsibility to make sure we're getting every dollar that we can out of it, and I know the staff and Bellers work together to be able to do that. But I'm looking at what options there are in the future, and I'm not trying to nickel and dime and dollar them to death or anything else. One of my friends said he's dying a slow death from all the applications that he has, you know, like 1000 slits. But I'm not trying to do that to them. But I'm trying to think of our beneficiaries that we make sure that we get money that we can. Just like with minerals, the rare earth, and every all the time, there's something new that comes out that we can benefit for getting more income for the educational system, so I'm just saying, is there a way to look at that in the future and say if there's other ways that they're developing? To me, as a real estate guy, when I hear the word business park, suddenly my ears perk up and go, wait a minute, there's more income that's coming in, whether it's through new technology or whatever. So I'm just asking if we're leaving away within the lease to renegotiate some of those things as we have minerals in that. Bruce has

 Jim Davis 1:28:51
got a better better head for numbers. I'd love to hear what you

B

Bryan Torgerson 1:28:53

think. Well, I think this particular deal we have negotiated fiercely on this one, and we're competing against other private properties, frankly, that they could move to. It's not like we have a salt dome or some other unique structure that ties them to this location. There's probably multiple locations they could. So we're competing against private industry as well, and so we've negotiated as about as deeply as we can get on future deals. We might can learn and glean from more from this one, and we're hopeful that there's future deals with Valor in the future. That, but this deal, I think, is pretty much it is what it is at this point. We've we've tried we've tried to get royalties on this, and we think that we've got a big enough rent on this that it captures a lot of

D

Dan Simons 1:29:44

that. So you hit the nail on the head for me. We're to me we're setting a precedence for the future, and I just don't want us to box ourselves in that we can't get out of something and move forward in the future. I know it's a learning process, but that's I felt like I needed. To bring that up,

B

Bryan Torgerson 1:30:01

thank you. That's a great, great question.

M

Mike Nelson 1:30:03

I've thought about that as well, and and part of what we're and Jan and I have talked about it. Part of what we're looking at is, you know, it's hard to decide on, you know, a royalty, for example, right? A royalty traditionally in a mine is based on production of copper or something like that, you know, and so, you know, what will the product be for the first five years of this project? Knowledge, understanding of how the systems work. I mean, I would hope, and it's not up to me, that they would, you know, before the first five years, there's some revenue being produced, but we don't know that right now, and and so I think since our last conversation, that's kind of how I ended up thinking about it.

D

Dan Simons 1:30:48

And I understand that, and I think we've given some discounts working with them to get them up off the ground and running. That's what the whole project's about: is to make sure they can survive and be productive. So I'm all behind what what you're doing. I'm just saying, what can we look at in the future so we don't box ourselves in?

J Jim Davis 1:31:06

No, we we appreciate that. A couple of the features that that we that we really like about how this deal is set up from set up from a financial perspective, that \$400,000 upfront bonus payment. I mean, that's money in the bank that will begin earning interest from the from the Citpo office right away, and and and that interest will, I mean, in in year one will exceed the the revenue that we've generated from this section just from leasing in the in the last year or so, and also the opportunity as as as this property is developed to be able to come back and to renegotiate the business terms based on an appraisal at a future date is is an important thing. Something that we build into many of our businesses, and and we hear you loud and clear, and have have done our done our best. And I think we've done a good job and put together a project here that a proposal that that will definitely increase the revenue generation from from in one way of looking at it, an underperforming property, and also bring a real benefit to to the county and and to the state.

D Dan Simons 1:32:25

Thank you, thank you, mr. Chair.

K Kelly Williams 1:32:28

That's one question. Yeah, I think it probably is covered in the Sula, but if could you just explain how the option works if they determine that in year seven they want to exercise the option to purchase is the value then fixed at that point and going forward, then obviously the the rentals go away. Is that an opportunity to address some of of these ongoing income opportunities, or how does the option agreement?

B Bryan Torgerson 1:32:59

Sure, that's a great question. The options set up that it's really looking at 50 years forward, no matter what point in time. If it's your 710, 1525, or whatever, it's 50 years forward, and essentially it's looking at just bringing back all those future payments that we would make in the future, including CPI adjustments and everything, bringing them back to present dollars, and then they would have to buy us for that. And it comes back to approximately \$6 million for the whole parcel on some property that's valued at, frankly, 480,000.

D Dan Simons 1:33:42

Just is there a lockout period where they can't purchase that, or is it at any point it can be purchased in the first?

B

Bryan Torgerson 1:33:49

There's not at this point. There's not a lockout, but what we we are contemplating is let's say it's a 50 year lease with 225 year terms for essentially extension. That's 100-year lease potentially, so they could buy it in year 50, and and then cash this out in year 50 for those next 50 years. Once you're looking at finance, though, once you start amortizing or net present value in anything beyond 50 years, it discounts back to literally nothing, and so it was really ridiculous of us to consider too much beyond 50 years as far as that goes. Eric Baim is amazing. He actually calculated his spreadsheet went a lot longer than I had ever seen any spreadsheets go. He calculated it. We looked into it, but we we feel this is it's right in the sweet spot. Didn't print it off, did you?

J

Jim Davis 1:34:50

Three feet wide. I

B

Bryan Torgerson 1:34:51

think you went out to 150 years.

M

Mike Mower 1:34:56

Do I hear a motion on this? Yes, I move to approve. Sula 2095 OBA on the terms set forth in the board memorandum, and to have the agency take all further actions necessary to finalize the transaction.

M

Mike Nelson 1:35:13

All in favor? Second. She was second. Oh, second. Yeah, I got the signal. I didn't say it. Okay, it has been submitted and seconded. Do I hear now? Or all in favor? Manifest. Aye. Is unanimous.

B

Bryan Torgerson 1:35:34

Thank you very much. Thank you

M

Mike Nelson 1:35:36

for your participation. Our next action item is a proposed lithium brine exploration agreement with option to lease. Give us another yay, and this exploration is located in Grand and Emery counties, and it's with A one.

D

Drew Bonner 1:36:06

Morning. It's great to be here with you all today. My name is Drew Bonner. I'm a lease manager with our Energy Minerals Group, and what I have for you today is a mineral lease other business arrangement proposal from A1 Lithium. A1 Lithium is a subsidiary of Anson Resources, company engaged in exploring and developing critical minerals in publicly traded in the Australian Stock Exchange. They aim to produce high purity lithium carbonate for electric vehicles and energy storage. The proposed lands are located in the Northern Paradox Basin and the Colorado Plateau along the Green River, underlain by a sequence of salt beds of Pennsylvanian age, around 300 million years. The lands encompass the combined Mississippian Leadville Formation, the Pennsylvanian Paradox Formation, Rhine-Berry Classic Layers. Iwan has 1,200 mining claims in the Green River area, and has been heavily focused on the Paradox Basin in Utah, primarily their Paradox Lithium project and existing Green River lithium project. They are looking to expand lithium exploration to the north through this proposal. Previous drilling on private land, the Bossy Dabba one well, which is in that photo up there that I'm in front of, has resulted in brines being recorded in the Mississippian unit and Paradox Plastic Zones. They aim to produce high purity lithium carbonate for lithium ion batteries using a closed loop direct lithium extraction process, separating the lithium from the brine. Green River has major infrastructure in place, such as power and proximity to major road and rail networks. The total acres proposed is 3940 acres, with a three-year exploration agreement with option to lease. Year one includes geophysical and airborne gravity surveys to profile the aquifer potential and geochemical geochemical sampling to determine gradients. Year two will conduct a drilling program to understand the porosity, permeability, charge rates. Year three rule require a completion of a joint or resource committee joint report. The annual rental is \$4 per acre, and a bonus payment of \$5 per acre. Royalty structure for lithium carbonate and lithium hydroxide will be on a sliding scale, where royalty payments can be changed based on market conditions to adjust more to volatile market prices, in order to encourage development in Utah and TrustLands, we believe that the royalty for lithium carbonate, to be fair, should return to the beneficiaries in their existing lease ML 54440. This follows the same royalty structure. Green River has infrastructure advantages, and A1 has existing mineral leases and mining plans in the surrounding area for the development of a successful project. North America has no current operations using direct lithium extraction at a commercial level. A1 poses technical and development background to advance the project to the level. The three-year expiration period will trust will test TrustLands mineral potential for lithium brines. The agency requests the board approve the OBA and offers the following proposed motions. Is there any questions?

M

Mike Nelson 1:39:40

Yes.



John Baza 1:39:41

Thank you, mr. Chairman. I know that lithium brine extraction is a relatively new technology, especially for the state of Utah. I'm also aware that Division of Oil, Gas, and Mining is currently in the process of developing. Rules. Know what the progress of that thinking is, and has TrustLands been engaged in that?



Drew Bonner 1:40:07

Yeah, we've been engaged. We have submitted comments, and I believe that they're in the process of reviewing those right now.



John Baza 1:40:16

So, before operations begin, do you expect those rules to be in place.



Jim Davis 1:40:21

Do you have a better idea? Yeah, I think formal rulemaking will be this fall or early winter. So yes, those rules will be in place before they do anything on the ground on this lease. Thank you.



Mike Nelson 1:40:37

Thank you. Any other questions? Are you done? do I have a motion?



John Baza 1:40:47

Yes, I'll go ahead and then read through the language of the motion on



Mike Nelson 1:40:54

your screen.

 John Baza 1:40:56
I'm not sure which one's easier for me to read.

 Mike Nelson 1:40:59
Move to

 John Baza 1:41:01
approve Mal 54767 OBA on the terms set forth in the board memorandum, and to have the agency take all further actions necessary to finalize the transaction.

 Mike Nelson 1:41:16
Second, Spencer Spencer Moffett seconded it. Okay, sorry, I didn't see that. So it's been moved and seconded. All in favor? Passes. Thank you, gentlemen.

 Bryan Torgerson 1:41:32
Thank you, board.

 Mike Nelson 1:41:35
That was unanimous. Just for the record. Last item is a proposed major development transaction located at St. George Regional Airport Parcel in Washington County, Washington County, Utah, approximately 82 acres. The agreement is with Box House Incorporated and will be presented by Greg Carthor.

 Aaron Langston 1:42:00
Yes, Greg should be online. I will drive the keyboard over here if that's

M

Mike Nelson 1:42:07

Greg. Go ahead,

A

Aaron Langston 1:42:08

and I'll if it's okay, I'll just tee it up really quickly. So, board of trustees, great to be with you, Dr. Nelson. Great to be with you. Thank you. I believe that the board knows this one pretty well, as this is one of those what we call kind of two bites at the apple. So this is just an outright purchase, a fee simple sale. All of the terms have been negotiated, so there really wasn't a lot to renegotiate as we came back at this point. So all of the cool points remain exactly as you saw them last month. So with that, I will turn it over to Grant.

G

Gregg McArthur 1:42:47

Hey, thank you very much, Aaron, and good morning, everybody. So yeah, so we did present this in August last month's board meeting, and so I'll just go through this again and give you the full details on it and tell you where we landed. So first slide is I'll show you where it is. This is an 82-acre parcel. So we have a little over 1000 acres surrounding the St. George, Utah Airport. The the portion right here, circled in red, is an 82-acre parcel that we're looking to sell. It's a little bit divided from the other parcels adjacent to it because it has a road there called Banded hills, and that is the access to this parcel. On the next slide, I'll zoom in just a little bit on that, show you the parcel a little closer. So there's us zooming in on that that parcel. You can see it's raw land, nothing that's been done to it. On the northern end, there's some some good topography. That's at the top end of the picture there, and then on the south end, it's a little bit more flat. Utilities are adjacent to the parcel, but not stubbed to it. So there's water in that Banded Hills Drive that's flowing along the south of it, and then there's sewer that goes along the airport, right along those airport boundaries on the east side of the parcel. The next slide will tell you a little bit about another issue. Oh, let me tell you a little bit about this. One's going to tell you about the the access to the parcel. So utilities are in the area for this parcel. The challenge with it right now is that the access isn't very good. So that Banded Hills Drive is how you get to it, and that is the only way you can get to it, you can see from that drive, it goes down into a residential area. So all of that is called Little Valley down here in Saint George. It's just a major residential area. So this is more of a residential road than it is good for commercial. So that's that's one of the challenges. Now there is future planning. We plan to bring a road around the south side of the airport. You can see it's labeled H there on the bottom, and we also plan on bringing a road up to the west side of the airport. That's called J. Now, where where J will connect to and where H will connect to, the roads are not in yet. So we're probably five to 10. Years out. This is where the access will come from, but it's it's a ways out before it comes. So we're a little early on access to the parcel. The next slide is going to talk a little bit about there is a new airport tower. This is constructed and will go into service within the next couple months. So this airport tower does affect our parcels over here, specifically this 82-acre parcel, because now anything that you build on that parcel needs to have FAA approvals on height, location, and those are things that FAA does give, and there are guidelines. So there are specific height restrictions, and to get approval from the FAA can take months at a time. So it's not like you can just go build something there, so that's just another thing to consider when we look at this parcel. So we got an appraisal done on the parcel. So this was done in March. It

appraised for \$6 a square foot, or \$21,430,000.06. So yeah, that's that's the appraisal on this parcel. We think it is a good appraisal for the condition that the parcel is in with its current access. I think we did good on the appraisal. So we did receive earlier this year. So the thing that caused us to get an appraisal on the parcel is in February of this year we received received an offer on this parcel from Box House Inc. They offered to purchase the the property at appraisal price, and they said we are ready to purchase this. We we have a good use for it, so we'll do a short due diligence. So 45 days due diligence, which is a short time period for a 21 million dollar purchase. They'll give earnest money deposit of half a million dollars, and they'll close within 120 days, and the 120 days that they've put in is because they want to see if they have the option to. They might want to close it at the end of this year, beginning of next year. They just want to have that option, and they have already done a lot of their due diligence. They've looked at this, and they do have a very good idea of the parcel. So the one thing that we want to ask is, since there's not good access to the parcel yet, does this parcel have the potential to, if we just hold on to it, a you know increase in value from where it is now? So we did a study on this based on the Fort Pierce Industrial Park, which, as you can see, is highlighted over there. It just sits to the west of the Saint George Airport, down off the hill. This is a TrustLands Administration project, so we know it very well. It's been going since the 90s, and we did a study based on price escalation over the last 20 years, and we found that it's escalated by owning it 5.32% year-over-year escalation, and the city of Saint George was discovered very much so during the pandemic, and we saw pricing over over 100% or over double during that time frame. There was also another major price escalation back in about 2011 on our lands, and now St. George is discovered. I'm not sure if we'll see that level doubling of price values because we are considered a higher priced area now in in the United States. So we'll see that again. So I think this 5.32% annual escalation is is pretty accurate. I don't think that we'd see something over that if we were to sit on our lands. So off of the offer that we've got, you go to the next slide. You can see if we sell the lands now, we plan on investing that with Sitfo, which we see a 7.5% return year over year, or holding on to it would be a 5.32% annual escalation if we base it on historical values. So we believe that selling now is a good thing for the trust and will net the trust more revenue as we go into the future. So, with those that analysis done and this good offer, good appraisal that we have, I have our recommendation on the next slide. We our recommendation is to move forward with this cell at this time, does anybody have any questions for me on this?

K

Kelly Williams 1:49:06

One question: Does the 120-day closing period account for the FAA approval, or is that carved out?

A

Aaron Langston 1:49:15

That should be completely different. Yeah, their 120-day due diligence period will be just if they can get certain entitlements that they want. If they they're just going to start going through that process, but they've already had preliminary discussions on what they can build, and St. George City has told them, yeah, we think that this will comply with the FA with the regulation. So we think we're on good things there.

G

Gregg Mcarthur 1:49:39

That's correct. It's the the FA. They know that it's there, so it does affect the land. It is it's not something that they're concerned about. They've they've looked into that.

M

Mike Nelson 1:49:49

Any other questions? Do I hear a motion?

D

Dan Simons 1:49:53

Chair, I'll make a motion. I move to approve the final terms of the sale of the 82 acre Saint George. Airport Northwest, partial as set forth in the board memorandum. We take all further attentions necessary. Second,

M

Mike Nelson 1:50:10

it's been moved and seconded. Accept this. All in favor? Aye. Motion passed. How are we doing on time?

M

Michelle McConkie 1:50:22

I think we're doing well. I I was going to ask if if you would want to just note that we're we've decided to to table until next month the next couple of action items.

M

Mike Nelson 1:50:35

Yes. Yes. We did have two items that were in the initial. Program for the meeting, and they've been eliminated. One is a proposed board policy on agency risk management plan. Trust staff has been being on risk management plan for some time now, and is prepared to go over it with the board, but decided to put that off until the next board meeting. And this is similar with the proposed strategic plan policy that is also being being developed by the staff and will be ready for reading. I'm ready. Well, upon that, I think we we did that, and we didn't even know we'd have trouble with the air conditioning. That

M

Michelle McConkie 1:51:31

was fortunate.

M

Mike Nelson 1:51:32

That worked out well. I have two notifications. Do I need to read them? Oh, I'm asking the board in notification item A of a minor development transaction at the St. George Airport, and also item B is an amendment to a development lease in the Utah. The board members have any interest in more detail on those. Seeing Bill leafing through. I hear a motion to adjourn. Yeah, it's just been sitting on a spring.

M

Mike Mower 1:52:31

Sitting on it, sitting on the spring. It's a little warm over here. Motion to adjourn.

M

Mike Nelson 1:52:37

Your second.

D

Dan Simons 1:52:38

Second.

M

Mike Nelson 1:52:39

One favor. Aye. Thanks to everyone for your participation.

 Michelle McConkie 1:52:46
Minimiss you.

 Kelly Williams 1:52:50
I know

 Michelle McConkie 1:52:52
I call it now. All

 Mike Nelson 1:52:53
these thanks for being here.