

Board of Trustees
School & Institutional Trust Lands Administration
Price, Utah

May 28, 2015

Minutes

Attending:

Board

David Ure
Louie Cononelos
Jim Lekas
Tom Bachtell
Lonnie Bullard
Mike Mower

Staff

Kevin Carter
Kim Christy
Tom Faddies
Lisa Schneider
LaVonne Garrison
John Andrews
Rodger Mitchell
Kyle Pasley
Effie Burns
Sue Stewart
Bryan Torgerson
Richard Wilcox
Ron Torgerson
Lou Brown
Ed Bonner
Scott Chamberlain
Nannette Johnson

Others in Attendance:

Karen Rupp, Utah State Office of Education
Aaron Garrett, Utah State Office of Education
Margaret Bird, Universities
Benny Allred, Cattle Farmer
Bill Tarrelin, Farmer and Cattleman
Dean King, Farmer and Cattleman
Joe Fuhriman, Utah Cattlemen's Association
Don Anderson, Utah Cattlemen's Association
M Val Dalton, Ty Cattle Co
Aleta Dalton, Bar MK Ranches
Hardy Redd
Jake Mellor, Carbon County Commission
Ethan Migliori, Emery County Commissioner
Ray Petersen, Public Lands, Emery County
Keith Brady, Emery County
Roger Barton, UACD-Conservation Dist Zone 7
Tammy Pearson, Beaver County Commissioner
Paul Wintch, Wintch Livestock, San Pete/Sevier
Mark Wintch, Beaver County, Wah Wah Ranch
Steve Deeter, LaSal Mtn Range, Lowry Redd Consulting

Butch Jensen, TN Ranch
Dee Taylor, Taylor Livestock
Rex Sacco, Carbon City/S-B L&L
David Hinkins, Utah Senate
Brad King, Utah Representative
Leon McElprang, San Rafael Soil
Conservation/Rancher
Stacy McElprang, Utah Farm Bureau Federation
Bruce Adams, San Juan County Commission
Kelly Pehrson, SJC Administration
Garrick Hall, Utah Farm Bureau Federation
Vic Sacco, Carbon County
David W. Christensen, Darker Mtn Graizers
Newell Harward, Wayne County Commissioner
Ross Hinkins, Rancher
Lynn Jackson, Grand County Council
Hugh Grange, N Sinbad Cattle Association
Joel Hatch, Hatch Livestock
Hadan Hatch, Hatch Livestock

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1. Welcome

Chairman Ure thanked those who took time to join the meeting in Price, Utah, and for the efforts that go into a regional Board meeting and tour of local SITLA related projects. Scott Ruppe was excused due to other obligations.

2. Approval of Board Minutes of April 16, 2015

The Board approved the minutes of April 16 and May 5, 2015.

“I make the motion to approve the minutes of April 16 and May 5, 2015.”

Motion:	Mower/Lekas	Unanimous		
Votes:	Dave Ure - - Yes	Louie Cononelos - - Yes	James Lekas - - Yes	
	Tom Bachtell - - Yes	Lonnie Bullard - - Yes	Mike Mower - - Yes	

3. Confirmation of Upcoming Meeting Dates

Director Carter reviewed the schedule for meetings through the end of 2015. The Board did not request any changes.

4. Emery County PLI Presentation

This agenda item was removed in the interest of time. The issue was adequately addressed during the field tour of May 27 and was not addressed at the meeting.

5. Proposed Policy and Rules for Advertisement of Expiring Grazing Permits and Reimbursement for Range Improvement Investments

Several members of the grazing community attended the meeting and were given the opportunity to address the Board. The full discussion of the grazing issues is broken into four audio parts and is available on the [public notice website](#).

Mr. Kim Christy reviewed the proposed policy. The Board policy was amended to substitute the word “Notice” in place of the word “Advertising” and to remove references to “depreciation” and “depreciated” and use the word “value” or “valued” concerning range improvement projects. The Board policy will be amended and added to the website.

“I make the motion to approve the policy for notice of grazing permits with the amendments identified in this discussion.”

Motion:	Lekas/Cononelos	Unanimous		
Votes:	Dave Ure - - Yes	Louie Cononelos - - Yes	James Lekas - - Yes	
	Tom Bachtell - - Yes	Lonnie Bullard - - Yes	Mike Mower - - Yes	

The rule was amended to reflect the same changes with regard to “notice” substituted for “advertising” and “value” or “valued” for “depreciation” and “depreciated.”

The rule will be submitted for rulemaking with these changes. The Board will address assignment fees and how range improvement projects will be valued at a future meeting.

The agency will notify and include the various associations, commissioners, and grazers in their consideration of these changes.

“I make the motion to approve the rule as written with the defined modifications.”

Motion: Mower/Lekas Unanimous
Votes: Dave Ure - - Yes Louie Cononelos - - Yes James Lekas - - Yes
Tom Bachtell - - Yes Lonnie Bullard - - Yes Mike Mower - - Yes

The Board also determined the matter would be addressed again with consideration of the depreciated value question and the assignment fee before implementation in January.

“I make the motion for the Board to address the depreciated value question and the assignment fee and bring the matter to the Board in October so the amended rule can be enacted by January.”

Motion: Bullard/Mower Unanimous
Votes: Dave Ure - - Yes Louie Cononelos - - Yes James Lekas - - Yes
Tom Bachtell - - Yes Lonnie Bullard - - Yes Mike Mower - - Yes

6. County Advisory Committee and Public Comment Period

There were no comments for this agenda item.

7. Consent Calendar

Consent

a. OBA Approval Request – Joe’s Valley Cooperative Management Agreement and Lease with BLM

There was no discussion on this consent item; therefore, it will continue as presented.

b. Amendment of ML 51983 – OBA, Utah Alunite - Potash Ridge Project

There was no discussion on this consent item; therefore, it will continue as presented.

c. Proposal for Major Transaction: Coral Canyon

Mr. Lonnie Bullard emphasized the need for a strong partner at Coral Canyon. Mr. Rodger Mitchell will bring details back to the Board for notice as the project proceeds. This consent item will continue as presented.

Notification

d. Amended and Restated Development Lease No. 874 Quality Development, LLC (Meadow Valley Lease)

There was no discussion on this notification; therefore, it will continue as presented.

e. Sale Notice of SITLA’s 50% interest in the Ivory office Building in Hidden Valley

There was no discussion on this notification; therefore, it will continue as presented.

f. Notice of Proposed Sale, 91.5 Acres +/- Fossil Hill

There was no discussion on this notification; therefore, it will continue as presented.

Follow-up after Six Months

g. OBA for Samson Oil and Gas, San Juan & Grand Counties

The Board did not request any additional information on this follow-up item.

h. OBA for Morning Gun Exploration in San Juan County

The Board did not request any additional information on this follow-up item.

8. Chair’s Report

a. Beneficiary Report: Lay of the Law of the Land: Recent Developments in Trust Lands Law from Around the Nation

The Beneficiary Report is postponed until the June Board meeting.

Director Carter discussed two Board policies requested by the Chairman. The proposed policies presented for consideration have been reviewed by the legal committee to develop the draft language distributed for the meeting.

b. Discussion & Consideration of Approval for Policy on Settlement of Certain Claims

The policy gives the Board an opportunity to be involved in settlements. The policy defines that, with the exception of a time sensitive case, the director is obligated to provide five working day notice before settling any claim that exceeds \$100,000. The Settlement of Certain Claims policy was approved with an amendment to add affected beneficiaries to the notification.

“I make the motion to approve the Settlement of Certain Claims policy, as amended.”

Motion:	Lekas/Bachtell	Unanimous		
Votes:	Dave Ure - - Yes	Louie Conanelos - - Yes	James Lekas - - Yes	
	Tom Bachtell - - Yes	Lonnie Bullard - - Yes	Mike Mower - - Yes	

c. Discussion and Consideration of Approval for Policy on Stewardship Expenditures

The capital budget has a requirement that any expenditure over \$100,000 requires Board approval or preapproval at the time the budget is set. There is no comparable policy for the stewardship budget. The stewardship budget for the next fiscal year is \$5,000,000. The proposed policy for stewardship expenditures parallels the capital budget policy. The beneficiaries expressed support for the policy.

“I make the motion to approve the Stewardship Expenditure policy, as presented.”

Motion:	Conanelos/Lekas	Unanimous		
Votes:	Dave Ure - - Yes	Louie Conanelos - - Yes	James Lekas - - Yes	
	Tom Bachtell - - Yes	Lonnie Bullard - - Yes	Mike Mower - - Yes	

d. Review Stakeholder Recruitment Responses [Closed session may be necessary]

The stakeholder recruitment discussion was delayed on the agenda to take place during the time for other closed session discussions.

9. Director’s Report

a. Director’s Report

Director Carter reported on the land exchange distribution account (LEDA) revenues that come from mineral leases acquired through federal land exchanges. Auditors recently identified an issue with the timely distribution when SITLA held \$6 to distribute with the next quarter. An incorrect subtext caused an entry to appear in the wrong place. A timing issue resulted in the money being sent to the wrong place. Corrections and changes have been made to prevent the issues from reoccurring. More details will be available at the Audit Committee meeting.

Director Carter announced that the winners of the SITLA-Instagram photo contest have been recognized. The most “likes” on Instagram resulted in the first winner. The second winning school was selected by a committee review of the pictures and stories. Checks were issued to schools for winning entries from Bountiful Elementary and Salem Middle School.

The Board voted to go into closed session for the remaining agenda items. Dave Ure removed himself from the Recruitment discussion during the closed session.

“I move we go into closed session for the purpose of personnel and legal discussions.”

Motion:	Mower/Cononelos	Unanimous	
Votes:	Dave Ure - - Yes	Louie Cononelos - - Yes	James Lekas - - Yes
	Tom Bachtell - - Yes	Lonnie Bullard - - Yes	Mike Mower - - Yes

b. Exchange Update [Closed session may be necessary]

The Board went into closed session for a discussion.

c. Litigation Update [Closed session may be necessary]

The Board went into closed session for a discussion.

d. Briefing on Mineral Royalty Issue [Closed session may be necessary]

The Board went into closed session for a discussion.

The review of stakeholder recruitment responses was also heard in closed session.

The Board returned to open session and adjourned the meeting.

“I make the motion we come out of closed session.”

Motion:	Bachtell/Mower	Unanimous	
Votes:	Louie Cononelos - - Yes	James Lekas - - Yes	Tom Bachtell - - Yes
	Lonnie Bullard - - Yes	Mike Mower - - Yes	

Adjourn