

Chair Louie Connelos  
Director Kevin Carter

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

August 20, 2015

**Minutes**

**Attending:**

**Board**

Louie Connelos  
Jim Lekas  
Tom Bachtell  
Scott Ruppe

**Staff**

Kevin Carter  
Kim Christy  
Tom Faddies  
Lisa Schneider  
LaVonne Garrison  
Ron Carlson  
Rodger Mitchell  
John Andrews  
Deena Loyola  
Bryan Torgerson  
Zeke Clements  
Stephanie Barber-Renteria  
Nannette Johnson

**Others in Attendance:**

Tim Donaldson, Utah State Office of Education  
Paula Plant, Utah State Office of Education  
Karen Rupp, Utah State Office of Education  
Aaron Garrett, Utah State Office of Education  
Trudy Henderson, Utah Education Association  
Trudy Miller, Parent Teacher Association  
Wade Bitner, Commissioner, Tooele County  
Zachary Renstrom, Commissioner, Washington County  
Corrie Steeves, Utah DHRM  
Lowell Braxton, Western Energy Alliance

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**1. Welcome**

Chairman Conanelos thanked everyone for attending and welcomed Commissioner Zachary Renstrom of Washington County and Wade Bitner of Tooele County as representatives of the County Advisory Committee.

**2. Approval of Board Minutes of June 18 and July 17, 2015**

The Board approved the June 18 and July 17, 2015, minutes.

“I make the motion to approve the minutes of June 18, 2015.”

Motion:	Bachtell/Lekas	Unanimous
Votes:	Louie Conanelos - - Yes	James Lekas - - Yes
	Tom Bachtell - - Yes	Scott Ruppe - - Yes

“I make the motion to approve the minutes of July 17, 2015.”

Motion:	Bachtell/Ruppe	Unanimous
Votes:	Louie Conanelos - - Yes	James Lekas - - Yes
	Tom Bachtell - - Yes	Scott Ruppe - - Yes

**3. Confirmation of Upcoming Meeting Dates**

The Board did not make any changes to the meeting schedule.

**4. County Advisory Committee and Public Comment Period**

There were no comments offered during this agenda item.

**5. Consent Calendar**

**Consent**

- a. Requested Amendments to the Three Pines and South Books Agreement
- b. Requested Amendments to the Bluff Block OBA

The Board took a break to hold a brief Oil & Gas Subcommittee meeting. Following the break, the Board expressed no concerns for the two consent items. The amendments will proceed as outlined.

**Notification**

There were no notifications for this meeting.

**Follow-up after Six Months**

- c. OBA with Alton Coal Development, LLC
- d. Riverside Drive Negotiated Sale

The Board had no comments on the follow-up items.

**6. Chair’s Report**

**a. Beneficiary Report: Beneficiary Thoughts on the Director Search**

Aaron Garrett provided a PowerPoint presentation covering the topics below. The full presentation is available on the [Public Notice Website](#).

- Management Experience
- Government v. Private

- Political Skills
- Leadership and Vision
- Thoughts on the Process

#### **b. Subcommittee Assignments**

Chairman Connelos reviewed new assignments for Board members to work with staff and beneficiaries on upcoming projects. The Board members did not express any concerns with the assignments.

#### **c. Recruitment Update**

Chairman Connelos reviewed the process and efforts for transparency in a methodical search for the next SITLA Director. He also noted the value of interviews with stakeholder early in the process. He thanked those who had provided assistance to the process to date. This item was addressed later in the meeting and conducted in closed session.

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

#### **a. Director's Report**

Director Carter reviewed the appropriated funds for the current year with a comparison to actual expenditures. The Board asked about capital expenditures. Director Carter explained in the past capital expenditures were mostly for infrastructure. Now the agency seeks out partners to pay the majority of cost to complete infrastructure. Whenever specific projects with high overhead are considered, the Board will be asked to review a request for a supplement to the capital budget. The Legislature will have to approve supplemental funds in general session. Director Carter reviewed how the stewardship budget is used. Director Carter then discussed the revenue earned by the agency in the past fiscal year.

Director Carter reviewed payments exceeding \$25,000 since the last report. Board members asked for a few details. No concerns were identified.

Director Carter discussed potential legislation to consider for the 2016 General Session.

- How the agency reports revenue to the new SITFO office
- Mineral Lease online bid process
- Expansion of Withdrawal Authority

Commissioner Bitner asked about restricting vs. defining areas for shooting. Director Carter noted that Utah County is doing just what the Commissioner is suggesting by working with BLM to create a shooting range. Chairman Connelos asked Kim Christy to talk with Commissioner Bitner about direction Utah County is taking. Director Carter mentioned another area in the West Desert where land may be exchanged to create a shooting range.

- Grazing Assignment Fees
- UTTR Exchange Resolution

The Government Affairs Subcommittee will review the legislation and return potential legislation to the Board before proceeding.

Director Carter briefly discussed the water rights filing in Rush Valley. Commissioner Bitner suggested there would be opposition and recommended SITLA will likely experience the least opposition by providing the broadest understanding to those who may be opposed.

There continues to be protesting activities at the US Oil Sands site. A recent incident resulted in four individuals being arrested.

Director Carter reviewed the WSLCA Summer Conference in Moab stating that the conference was considered a success and noted that the change to the committee meetings format in the itinerary allowed more delegates to participate in discussions.

### **b. Budget Proposal**

Director Carter outlined the proposed budget and reviewed the process and timeline for adopting the budget for the next fiscal year. One of the changes from the current budget year is an increase of \$5 million in the capital budget as a one-time request for the 2017 budget year. Another one-time request is for \$300,000 to pay for land exchange expenses and a third request is the traditional request of \$46,300 for the county right-of-way program.

Director Carter also asked the Board to consider approving a modification of funding to move the forestry contract budget to the stewardship budget to fund the position doing the stewardship work.

The agency is no longer asking for \$100,000 for sage grouse listing prevention.

Scott Ruppe asked why the agency overhead in the legal category reduced. Lisa Schneider clarified the movement of funds relative to an Attorney Generals' Office employee, providing security and working at SITLA, who is partly funded from the legal budget.

The Board approved the budget appropriation as presented.

"I make the motion for approval of the budget as outline."

Motion:	Ruppe/Bachtell	Unanimous
Votes:	Louie Cononelos - - Yes	James Lekas - - Yes
	Tom Bachtell - - Yes	Scott Ruppe - - Yes

### **c. Fee Waiver Report**

Director Carter noted that when waivers are approved it is because the agency required a change rather than a request by the applicant; therefore, the agency waives the fee.

### **d. Update on Needles Outpost**

Kim Christy introduced Bryan Torgerson who has been dealing with the Needles Outpost, a privately run operation at Canyonlands National Park. Bryan provided history of the area and discussed the past intent to develop a "Canyonlands Resort." The intent was downscaled due to availability of water. A recent eviction of the operators made the space available to search for a long-term lessee, who is well capitalized, and reconsider improvements on the site and develop a plan for better access to water. In the meantime, a right-of-entry has been issued for one year to keep the services available to park visitors.

Recent storm damage required repairs to the road and the infrastructure. Water diversion measures were also completed to avoid a reoccurrence. The work was completed for less than \$70,000. The expense for an outside vendor repair would have cost \$200,000.

The Board went into closed session for discussions on personnel matters, potential litigation, and the sale or acquisition of real property.

“I make the motion the Board go into closed session to discuss exchanges and litigation and recruitment of an agency director.”

Motion:       Ruppe/Lekas       Unanimous

Votes:        Louie Cononelos - - Yes       James Lekas - - Yes

              Tom Bachtell - - Yes        Scott Ruppe - - Yes

Scott Ruppe is recused from the recruitment discussions and left the meeting prior to the discussion in closed session.

**e. Exchange Update**

This item was discussed in closed session.

**f. Litigation Update**

This item was discussed in closed session.

**Adjourn**