



## **Idaho State Board of Land Commissioners**

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

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*Be it remembered that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.*

## **Draft Minutes**

State Board of Land Commissioners Regular Meeting

April 15, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, April 15, 2025 at the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little

Honorable Secretary of State Phil McGrane

Honorable Attorney General Raúl Labrador

Honorable State Controller Brandon Woolf

Honorable Superintendent of Public Instruction Debbie Critchfield

All Land Board members were present at the physical location.

## **Reports**

1. Department Reports—presented by Dustin Miller, Director
  - A. Timber Sales Revenue—March 2025
  - B. Leases/Permits Transactions and Revenue—March 2025
  - C. Legislative Summary—Final
  - D. Land Bank Aging

Discussion: Superintendent Critchfield asked how current or proposed tariffs will impact the Department. Director Miller replied that already the Department is seeing some tariff impacts on seedlings which are sown and grown in Canada and will continue to monitor the situation. Governor Little wondered if the Department would need more resources with the passing of Senate Bill 1183 by Idaho's legislature. Director Miller explained the Department's role will be to help review and provide input on the wildfire mitigation plans provided to the Public Utilities Commission (PUC) from utility companies. That will put pressure on the Department's mitigation specialist, who recently received a national award, and other staff to ensure that these wildfire mitigation plans address some of the Department's concerns. Director

Miller added that staff may need additional assistance in working through those plans depending on how many and the timing of these plans being submitted to the PUC. Governor Little remarked that it would be helpful for the Department to talk with the PUC and at the next Land Board meeting present an assessment of how many plans are anticipated and what resource constraints the Department does or does not have.

2. Endowment Fund Investment Board—presented by Chris Anton, EFIB Manager of Investments
  - A. Manager's Report
  - B. Investment Report

Discussion: Mr. Anton noted it has been an interesting period. In late March President Trump announced that he would be rolling out his tariff plan on April 2, 2025, what he termed Liberation Day. There was some sell off in the market in late March, with the uncertainty of where the tariffs would be set. The plan as announced on April 2nd included a base level of 10% tariffs for all countries and what President Trump termed reciprocal tariffs on top of that. It is fair to say the tariffs were higher than most people had anticipated. The market responded by selling off; the equity market at one point was down 20%; the S&P was down below 5,000, and there was pressure on the President with the market moving that quickly down. The President then announced a 90-day suspension on the reciprocal tariffs and kept the base tariffs, with the exception of China. The reciprocal tariffs with China have escalated back and forth and are still in place, but the market felt some relief with the 90-day period to negotiate the reciprocal tariffs. In addition, President Trump granted some exceptions for consumer electronics and for auto parts. The market bounced back; it is now down about 10%, a much healthier place. Mr. Anton reported the portfolio, through yesterday [4/14], is still up 0.8% for the fiscal year, down about 2.4% during the month of April. Given the volatility, the portfolio is in a reasonable place. Mr. Anton mentioned that in addition to the volatility in the equity market, there has been stress in the bond market due to concern that tariffs could be inflationary, which puts the Federal Reserve in a tough spot. The Federal Reserve cannot continue to cut interest rates until the tariff plan and the impact on inflation is understood. So, bond yields have moved up. The yield on the 10-year Treasury was down about 3.9%; it has moved up to about 4.5% this morning, which means bond prices have come down as well. Usually bonds diversify the equity losses, but both have been going down which has been challenging. The other concern is how the consumer is going to weather this if there are high levels of tariffs. Mr. Anton recalled that going into the Federal Reserve's rate hiking cycle, there were two job openings for everyone looking for work; that is now pretty balanced. There were excess consumer savings because during the pandemic people received the Covid support checks; most savings have gone down. Providing some certainty to tariffs is important because the consumer is starting to respond more cautiously and slowing down spending. Many of the big retailers in recent quarterly announcements have reduced forecasted earnings and sales. Clarity is the most important thing for the markets and consumers. Mr. Anton stated that reserves through yesterday are in a healthy place. Governor Little asked how the portfolio is doing relative to benchmark and if Callan or the Investment Board are thinking about any changes given the volatility in the markets. Mr. Anton replied that fiscal year-to-date the fund is right on benchmark and at this point the portfolio allocation will remain the same.

### **Consent—Action Item(s)**

3. March 12, 2025 Live Auction, Mineral Lease E700060—presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to award mineral lease E700060 to Sluder Construction, Inc., the high bidder at the auction.

Discussion: None.

4. Approval of Draft Minutes—March 18, 2025 Regular Meeting

**Consent Agenda Board Action:** A motion was made by Controller Woolf that the Land Board approve and adopt the Consent Agenda. The motion carried on a vote of 5-0.

### **Regular—Action Item(s)**

5. Gloria Ford Property Disposal (Idaho Department of Fish and Game)—introduction by Zane Lathim, Section Manager-Real Estate; presented by Sal Palazzolo, State Habitat Manager, IDFG

Recommendation: Direct the Department to transfer ownership of the Property from the Idaho Department of Fish and Game to the Land Board, then transfer ownership of the Property from the Land Board to the United States Forest Service.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to transfer ownership of the property from the Idaho Department of Fish and Game to the Land Board and then transfer ownership of the property from the Land Board to the United States Forest Service. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

6. Energy Lease M600110 (Hornstone Solar)—presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to finalize and advertise lease number M600110.

Discussion: Superintendent Critchfield asked about notification for the grazing lessee. Mr. Laney commented that the lessee has already been notified; the existing lease requires 180 days' notice. Controller Woolf inquired what the next steps are in this process. Mr. Laney replied that the energy lease is finalized, next step is to advertise the lease for auction; that would be a 30-day advertisement on the Department's website and in local papers. If competing applications from qualified applicants are received, the lease will go to auction and then the auction results and the lease are brought back to the Land Board. If it does not go to auction, the Department will come back in the next month or two and seek approval for the lease. Controller Woolf asked about impact to neighbors and involvement of county commissioners. Mr. Laney answered the developer is in the early phases of obtaining a permit and

has only had a pre-meeting with the county. That is part of the reason for including this development phase into the lease so the developer can go through this large and in-depth process with the county. That process has yet to take place, but in that process they are going to hold public meetings, fulfill all the county requirements, and also meet with planning and zoning and county commissioners, probably several times. Controller Woolf wondered what type of solar farm this project is: solar panels like on a roof or a solar thermal system, that latter of which has been tried other places and not been successful. Mr. Laney replied this project is for photovoltaic solar panels.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to finalize and advertise lease number M600110. Attorney General Labrador seconded the motion. The motion carried on a vote of 5-0.

7. Spiked Out Timber Sale: Clearcut Harvest Unit (FY2025 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Approve the Spiked Out Timber Sale.

Discussion: Superintendent Critchfield inquired how many trees would be in 157 acres, to help her visualize what that looks like. Mr. Greenwood said the number of trees in a stand varies, but the Department expects to harvest 20,000 board feet per acre out of those 157 acres, which is about 3.3 million board feet. Controller Woolf clarified this clearcut sale is separate from the ones later on today's agenda because it is in the FY2025 sales plan. Mr. Greenwood said that is correct.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Spiked Out Timber Sale. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

8. FY2026 Timber Sales Plan—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Direct the Department to proceed with implementation of the FY26 Timber Sales Plan.

Discussion: Controller Woolf mentioned that last year the Land Board had a discussion of the 5-, 10-, and then the 50-, 100-year plan. How does this plan tie into that future planning. Mr. Greenwood remarked this is in alignment with the Department's forest asset management plan that the Land Board approved in August 2024. That is a 5-year time horizon with a harvest of around 329 million board feet on average, plus or minus 5%. As the end of that 5-year window gets closer, the Department will see the depletions and growth from its endowment timber acreage base, and then staff will look at the next 5 years. Controller Woolf noted the 29,000 cedar pole harvest target in the FY2026 sales plan and asked if the Land Board should look in the future at changing the number of cedar poles that are harvested. Mr. Greenwood said it is worth looking at eventually. The Department is working through some older age classes which have these cedar poles. The 20,000-pole policy is from 1986 when timber harvest level was 220 million board feet. Harvest level has increased by 55%; 29,000 cedar poles is a 45% increase from 20,000, so as harvest

has increased in older stands, the poles would follow that harvest volume. Secretary of State McGrane mentioned he has noticed, up on the foothills, that Idaho Power is replacing all of the poles with steel as part of their fire risk mitigation efforts. Wildfire has become such a risk, is there a potential that utilities will shift the types of poles. They probably will always use cedar poles, but will there be any changes.

Mr. Greenwood answered that as specific products become less available, people will look at alternatives: steel; laminating cedar together to make a pole as is being used on Highway 95 south of Coeur d'Alene. There will be adjustments with industry; that comes along with advancements in technology and what products are available.

Superintendent Critchfield wondered if there would be more interest in clearcut sales due to tariffs or other market changes. Mr. Greenwood commented that when the tariffs got announced on Canada where a lot of the softwood lumber comes from, there was a huge spike in lumber by about 20%; in the last month, it has gone down 10%. Lumber is usually stable and does not have those large swings, but lumber markets are seeing that due to the large unknowns. Mr. Greenwood noted that interest in endowment sales comes down to competition in the marketplace and who is available. It is unlikely there will be any new market players or mills developing infrastructure in Idaho based upon short-term political tariffs and items like that.

Governor Little said it is undeniable that the current administration is going to fast-track more GNA sales; how does that factor into the Superintendent's question.

Mr. Greenwood indicated that with the President's order to do more GNA sales, the Department has done an early analysis on that. There are certain markets that would be a little more at risk, those are mainly in the Payette-Boise area due to the lack of mills and the capacity those mills can take compared to some of the ones up north.

With the sales that the Department provides, and through GNA in that region, markets are probably at capacity as evidenced through lower bidding, and fewer bidders to the table. The capacity is still there up to the north. The latest order showed a 25% increase over current timber harvest on federal ground; if that is the case, there is still mill capacity in those upper north Idaho locations. The other concern is the workforce issue; are there loggers and haulers to increase that wood at that rate. It is a dual edge, the mill capacity plus the workers to get the products moved; the Department sees the biggest risk in that Boise-Payette region.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to proceed with implementation of the FY2026 Timber Sales Plan.

Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

9. Clearcuts Over 100 Acres (FY2026 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Approve the Caesar Ton, Headwaters Cedar, Macs Drive Thru, Signal Hauser Scraps, Palantir Cedar, Aldridge Cedar, Super Spur, East Town Cedar, and Lower Rainy timber sales.

Discussion: Controller Woolf asked about impacts to viewsheds on any of these sales or any concerns from citizens. Mr. Greenwood replied that Palantir Cedar is adjacent to a highway, for Signal Hauser Scraps, approximately 40 acres can be seen from Hauser Lake, and in the next agenda item Almost Round Cedar timber sale, the 100-acre clearcut can be seen from Highway 2 and the Pend Oreille River.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Caesar Ton, Headwaters Cedar, Macs Drive Thru, Signal Hauser Scraps, Palantir Cedar, Aldridge Cedar, Super Spur, East Town Cedar, and Lower Rainy timber sales. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

*[Editor's note: the Discussion portions, if any, for the following agenda items may be written in first-person format. This is not a verbatim transcript.]*

10. Almost Round Cedar Timber Sale: Clearcut Harvest Unit and Public Comment (FY2026 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Approve the Almost Round Cedar Timber Sale.

Discussion:

Governor Little: When we do a clearcut it is obviously the green trees or the not too distance green trees, and I assume we take out some of the other dead trees, maybe not all of them because of the fire risk. Would that be a correct assumption?

Mr. Greenwood: Even in the clearcut stands, if that tree is dead and does not have any merchantability material, we try to leave those as wildlife snags. We have that in our contract terms.

Superintendent Critchfield: Regarding the public comment, do you ever hear back from those individuals.

Mr. Greenwood: It depends on the person and how they view our response. There was one that wanted further comments and feedback and a public meeting; that was in that packet as well.

Superintendent Critchfield: For the area that is impacted around the lake, clearly the concern is over disturbing or disrupting the recreational area; what I am seeing referenced in the comments is that it disrupts or will change the recreational area of Round Lake. What portion or percentage of the entire area is affected by the logging.

Mr. Greenwood: If you look at Attachment 7, it shows the Round Lake State Park in blue and then shows our timber harvest to the west. There are some stewardship trails that were developed in conjunction with Idaho Parks and Recreation that citizens are probably commenting on. Along that trail, there are certain signs to describe some of our timber management activities and provide an educational opportunity for the folks that visit the park. I think those trails would be impacted but it provides us to redo some of those stewardship signs and talk about management, that public outreach for our timber harvest on endowment land.

Superintendent Critchfield: For trails that are impacted, can we or Parks and Recreation redo trails or re-establish other areas around the lake.

Mr. Greenwood: Those trails will stay intact where they are at. As you can see, a lot of those are kind of the sale boundaries, and so working with the Parks and Recreation Department, we will just continue those trails where they are located today on endowment ground; those are the trails that will remain.

Secretary of State McGrane: Just reading the feedback provided, I get the sense in terms of the response there is a desire to not do anything; that is obviously not our obligation as a Board, but also there seems that there is underlying concern about the clearcut. I see in the response the arguments for it, but is the clearcut necessarily the only approach. Governor, I see Director Buxton, I do not know if Parks has any thoughts on this because obviously it is adjacent to the park, but some of the response does seem somewhat dismissive of the concerns, but I can appreciate the residents up there having concerns.

Mr. Greenwood: A lot of their concerns may have been a misnomer of what a clearcut and a seed tree is, so we are trying to clarify what those different silvicultural prescriptions' definitions are; a lot of the concerns were actually in that seed tree unit, which they called a clearcut. There is an alternative treatment, whether it be a clearcut or seed tree and we are choosing the most economical decision of getting trees established soon and growing for the next rotation. That is how these sales are set up when deciding between a clearcut and something that is naturally generated through a seed tree prescription.

Director Miller: I really appreciate David's work on this as well as the work of our area field staff in terms of communicating to the public, telling our story, responding to their comments. They spend a great deal of time explaining the endowment mission, why we do what we need to do, and working with the public; I appreciate bureau staff and area staff for doing that, going above and beyond.

Secretary McGrane: Governor, just asking, can we see if Director Buxton has any thoughts on it? And maybe she does not.

Governor Little: Director Buxton, do you want to have any input on this matter?

Director Susan Buxton: Governor, members of the Land Board, my name is Susan Buxton, I am the director of the Department of Parks and Recreation. I did not know this was on the agenda, but I did actually tour the site, the park itself, where the delineations of the timber sale will be; I did that with one of our board members, Chuck Roady. Chuck Roady is an established forester here in the state of Idaho, nationally acclaimed, and we looked at that. Certainly, there is quite a need of treatment within areas of the park. When you are talking about the trail...there was an MOU that was in place between the two agencies in about 2008 to work together with regard to issues for recreation, the viewshed, as well as the recreation trail that was established from that situation. I know that our forester Keith Jones has been working with IDL with regard to this as well as with the public. We are certainly in support of it, though one issue that we are worried about is the viewshed, but in talking to IDL they will go back in and help reforest that. If you look at pictures of Round Lake you will see there is one big dock, and the timber sale is going to be right at the end of it. But in looking at it after standing there myself, I think that with IDL working together with us we will be able to make that grow back quickly and look good, but it is definitely in need of some help in that area. Thank you for the opportunity to visit with you and happy to stand for any questions. I would also add there is one trail there with this timber sale, it would open up some areas on IDL land that we would be happy to do some more interpretive work and trail work to add to

the trail system across from that viewshed which would probably make it a little bit more attractive after the sale, too; we would like to work with IDL on that project.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Almost Round Cedar Timber Sale. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

11. Land Bank Fund Transfer—Principal and Earned Interest—presented by Bill Haagenson, Deputy Director-Resource Management

Recommendation: The Department recommends the transfer of \$8,234,920 of principal and \$1,221,580 of accrued interest, plus any additional interest earned by those amounts, from the Land Bank to the permanent endowment fund, as detailed in the memo.

Discussion:

Secretary of State McGrane: I have been clear in terms of my desire to use Land Bank funds to look for acquisition opportunities along the way and the early transfer of these funds does not seem to align with that, so I am inclined not to support the transfer. I am a little bit concerned because I remember asking about this just recently, so I went back and looked at the minutes from our February 18th meeting. On page 2 sub item C, it talks about me asking specifically about the \$8 million that is about to time out in a year. At that time Mr. Elbin came up and said that there were projects in the pipeline over the next year to be able to potentially use those funds. Here we are two months later and what you just presented was that there are not any projects. What am I supposed to believe; what is the position of the Department.

Mr. Haagenson: Governor and Mr. Secretary, the position of the Department remains that we want to acquire timberland with these funds when those transactions are made available. What has not happened in the past year is any transactions that have reached the finish line so that we can use those funds. There are a couple out there that are small transactions that are pending; one is for the purchase of the seed orchard, that one potentially could close during this timeframe. The other one that we are looking into is acquisition by the endowments of general fund property, in this case a parcel of General Fund owned property that is surrounded by Public School endowment in the Priest Lake area. We still have some issues to figure out in terms of the process for making that acquisition and making sure that we can do that, and if we can we will be bringing that forward soon to the Land Board for consideration. Those two together are a little over a million dollars that could be utilized, maybe, in this window of time. There is going to be additional funds coming into the Land Bank and opportunities for acquisitions are going to continue over a period of years; we are still optimistic. Nationally, the pace of timberland transactions has slowed over the last couple of years. In '23 and '24 nationally about a million acres changed hands and that is down from years prior when the average was about 3 million acres. There are issues with valuation and the ability for investors to meet their own hurdle rates in acquisition of these parcels, and that continues to be a struggle for us to get a willing seller at a price that we can meet our hurdle rate and make a good acquisition for the endowments.



Secretary of State McGrane: To that end, though, the policy position and the creation of the Land Bank is to give that 5-year window to work through many of the issues and the things you described. Cutting an additional year for these funds...even the million-dollar transaction that you mentioned, it would be helpful to have the additional year to spend that money out of the Land Bank. I recognize there are other funds in the Land Bank, but those are for potentially future transactions over the 5-year period that those funds were placed into the bank.

Mr. Haagenson: The two amounts in this case do expire in the first and second quarters of fiscal year 26.

Secretary of State McGrane: Almost a year from now, though, in January and February of next year according to the report.

Mr. Haagenson: Just after the start of this next fiscal year on July 1 the first amount and then the second amount in the following quarter.

Governor Little: Fiscal year, not calendar year.

Secretary of State McGrane: Okay, fair enough; I will leave it at that.

Controller Woolf: My question is on the interest piece as we go forward. Do we have a policy on how those are handled, separate from the principal amounts. Do we have a good understanding or a policy direction of how that interest is handled going forward? We have almost \$5 million sitting there that is interest based.

Mr. Haagenson: The Department has kept the interest tied to the original deposit; if you look at each of those amounts on the aging report it ties back to a parcel or more that were disposed of at a fixed point in time, and that deposit in the Land Bank then starts that 5-year close. If those funds are expended on land, or if they are transferred to the permanent fund, we would then, in the case of an acquisition, transfer that interest to the permanent fund because the principal is now gone. In the case of a transfer like this, we would calculate the interest that is tied to those original deposits and transfer that interest at the same time. Our fiscal group, if the Board approves, will calculate and make that transfer as soon as possible. There is some difficulty to the calculation given that the interest rate on the funds in the Land Bank changes on a monthly basis and each of those amounts in the Land Bank is generating some portion of the total interest accrual; there is some math involved to get to the right number, or as close to the right number as we can get.

Controller Woolf: Is there anything saying that interest is tied to a potential acquisition in the pipeline. That is what I am trying to understand.

Mr. Haagenson: The interest could be expended for acquisitions as well, there is no policy that I am aware of that stops that. It has been customary to keep the interest tied to the original deposits as I described.

Superintendent Critchfield: I want to make sure that I understood what you were saying to the Secretary. For potential purchases, you believe that in addition to this transfer there will be or are funds available if those other purchases make their way to the end or come to us, that those would still be on the table as far as what funds are available regardless of whether this is transferred.

Mr. Haagenson: Governor and Superintendent, that is correct. Even this transfer, when the final amount is removed, would leave about \$75 million in the Land Bank. Over time there will be more cottage sites still to dispose of and there will be potentially other real estate transactions that feed money into the Land Bank. This would continue to have sufficient funds available for a large transaction if something became available.

Secretary of State McGrane: In terms of the transfer, and I want to be clear on the 5-year schedule, I would support the transfer, that is the policy and how it is set up, it is just the early transfer that I am concerned about. Maybe this is a question for Mr. Anton: if we make the transfer, the investment of the funds thereafter by the EFIB, I am curious, because the EFIB report today talked about how the market has been down; the Dow Jones is down 5% in the last six months. Mr. Anton commented on the need for clarity and some resolution to the tariff situation. I think there is a lot of instability, the Governor kind of alluded to that if anybody had a crystal ball it would help all of us. How does this work considering the uncertainty in the market right now; we are doing this in advance, I am assuming to put the money into the market even though there is that lack of clarity.

Mr. Haagenson: Governor and Mr. Secretary, the funds would go to the permanent fund for investment by EFIB. The exact timing and where those investments go would be much better answered by Mr. Anton than by me.

Mr. Anton: Governor, Secretary of State, yes, when we receive the money we will invest it in the portfolio. We would look at where we are at relative to our asset allocation at the time it came over and put the money to work. We typically do not sit on cash, so we are not trying to time it perfectly. I think when this first came up it was a bit more opportunistic because we were down about 20% but the S&P is still down about 10% so it is a reasonable opportunity.

Secretary of State McGrane: The question there is, even watching our own portfolio let alone the market at large, who knows where we are, because there could be more tariffs, less tariffs. That is one of the concerns I have on behalf of the beneficiaries: is this a prudent decision in terms of the timing of it, versus where it is sitting it is not causing any harm necessarily either. To your point, there is potentially some opportunity, but there is also the opportunity for loss just the same, with the whole idea of the uncertainty.

Mr. Anton: I can only express my opinion and rationale for my vote on the Investment Subcommittee. We cannot time it perfectly, but as Mr. Haagenson indicated, when they look at the acquisition pipeline, there are not any opportunities that would allow them to execute transactions over the next six months when all this will transfer, the first batch in three months, the next in six months. Given that, and the fact that the market is down, and I think it has been the custom of the Land Board when there are no opportunities to exercise it, we have transferred it over to EFIB. If there are opportunities, great, I think we are all supportive of acquisition opportunities.

Board Action: A motion was made by Controller Woolf that the Land Board follow the Department's and Investment Subcommittee's recommendations to transfer \$8,234,920 of principal and \$1,221,580 of accrued interest, plus any additional

interest earned by those amounts, from the Land Bank to the permanent endowment fund, as detailed in the memo. Superintendent Critchfield seconded the motion. The motion carried on a vote of 4-1, with Secretary of State McGrane voting in opposition.

## Information

12. Round Lake Contract—presented by Michele Andersen, Deputy Director-Policy and Administration

Discussion: None.

13. 2026 Grazing Lease Rate—presented by Addie Faust, Program Manager-Natural Resources Leasing

Discussion: None.

14. Fire Strategic Plan—presented by Dustin Miller, Director

Discussion:

Controller Woolf: What is the timeframe and what you are looking for going forward with this document.

Director Miller: A lot of things identified here we are already doing, you can see that as you thumb through the plan, some of the key decision units that we have asked for in the past to help us with some of these themes have already been put into place. We are going to continue to move forward with implementation of this; we will be discussing our future budget decision units here very quickly. It is always interesting to be in the current fiscal year and planning for the next fiscal year while waiting for our budget to kick in for July 1st for the next fiscal year. We are always planning in three different budget cycles; we will be having those conversations about key positions and other elements within this plan for the next budget cycle. There is reference to the Governor's wildfire roundtable report and there are a few things in there that we have already been moving forward with. For example, the technology component, utilizing the latest and greatest fire technology, we are utilizing camera technology, and we appreciate the support of this Board and the legislature to provide funding for additional cameras to provide early detection which equates to rapid response on wildfire. We are going to be testing new satellite detection technology; some of that funding was provided by the legislature this year with support of the Land Board. Throughout the document there are things that tier back to the Governor's wildfire report that are already in a state of implementation. This is a draft right now; we will be finalizing this in the next couple of months and we want to make sure that this plan aligns with the vision of the Land Board.

Controller Woolf: Will you need this prior to budget submission on September 1?

Director Miller: Governor, Mr. Controller, yes, that would be ideal.

Superintendent Critchfield: As part of the return to the Land Board in whatever form you bring it, this is what we want to do, could you include on some of your strategies what dates or what you are looking at as far as all of this. Everything in here looks

really great, some are going to be quicker than others, it is helpful for me to know, here is a procedure, we can take care of that in four months, or here is something that we have to include a law, here is something that would be a budget request, to get a sense of how long do you see taking to accomplish some of the plan that you have set forth.

Director Miller: We have a lot of that information not included in the materials but in our planning work, talking about budget cycles and not knowing yet what the requirements through DFM will be for the next fiscal year, we want to certainly be cognizant of that. We know these requests are expensive, but we have an idea of the next fiscal year and several fiscal years out of what years we want to ask for certain decision units to help implement the strategy. We have that laid out and we can provide that information.

Superintendent Critchfield: To emphasize the timeline, looking at page 8, your strategy of expanding coordination, you list some other organizations there. I recognize that all things take some money to a degree, especially if it is time of your people putting it into that, but something that is not so much tied to a legislative cycle or a budgeting cycle, it would be nice to see, this is something that we can tackle immediately, we think that we can have MOUs in place within so many months, as an example.

Director Miller: Absolutely, Governor, Madam Superintendent, like I said a lot of these are already in the works. We want to get some of these agreements in place to the extent we can ahead of fire season. We are working on a couple of things here. One I will point out is developing a statewide MOU between firefighting entities, local, state, federal level, Idaho Fire Chiefs Association for example. That agreement is being developed right now. There is a draft of the Interoperability Committee MOU and that is consistent with the Governor's wildfire report as well. That committee is really focused on fire camera detection technology. There are a lot of different entities that are using that technology at the state, federal, and local level, as well as some of the utility companies. The Transportation Department has cameras as well, maybe not the fire cameras that we utilize, but we want to make sure that we are working together, that we are not duplicating work, that we are sharing the information and the data because it all tiers back to fire response and how quickly can we jump on these fires. Having that early detection is critical. We will get you a timeline by the next Land Board meeting on what is in the Department's best interest to move forward with in the next budget cycle and maybe a few years out as well.

Secretary of State McGrane: One of the things that IDL has been particularly successful with, and wanting to lean into it, is the early response, trying to initial attack. When I go through the report some of it feels very broad, capturing a little bit of everything, and the challenge is limited resources, so as we get to a draft it would be nice to see some prioritization of where that focus goes. One of the things that you have highlighted multiple times that really stands out to me is the recommendation from the Governor's committee in terms of cameras, the technology, so leaning into that for early detection, but then combining that with the rapid response. One of the things, watching last fire season here as well as in other states, there is always this tough balance between the aviation resources, they can hit the fire faster, but they also cost a lot; we saw on some of the big fires that happened here, if a fire gets out

of control then it costs way more because of the manpower and all of the other resources. As part of our strategy, it would be nice to see how we are going to do what we can to catch them as early as we can and do we need to shift some of our priorities. Because it is trying to do a little bit of everything, and it does not appear the legislature is inclined to fund the whole plan. Knowing that, how can we be as strategic as possible and can that be reflected. There are elements of this that I like because of the specifics and as we get to the final draft, have more of those in terms of how we are going to approach it, knowing some of the limitations that you confront. I can see the effort, I am not being critical, I am just pointing to where I would like to see it head as we try to finalize it.

Director Miller: We did throw a lot into this plan; we really covered the challenges, organized those challenges into themes and discussed where we need to go to address these challenges and what has already been done. We will provide the Board with more of a targeted prioritization schedule for each one of these elements: in this fiscal year we want to do these things, in this fiscal year we want to do these other things, fully aware that we will get guidance in late June from the Division of Financial Management on how budgets are to be structured. We want to make sure we are engaged with the Land Board, continue to improve this plan, provide that prioritization to you and ensure that we are building this together as a shared vision.

Secretary of State McGrane: One of the things I want to highlight, because it really shows our approach being different specifically compared to our federal partners. When we look at the Wapiti Fire last season, which was big and obviously had huge implications, I had a conversation with Mr. Boren [Undersecretary Michael Boren], and he credited the Governor and Jamie in getting aviation resources up there to stop it from entering the town of Stanley, but also the bulldozers, the other heavy equipment. You can point to multiple fires, when we get those resources there, we stop a fire much more quickly and it has a better long term impact for the state; it is not cheap, it is not easy. How do we lean into that as we move forward.

Director Miller: Within our districts and our focus on protecting industrial, private timber, and endowment timber, we have the luxury of oftentimes better access, better management, and we are tied in pretty closely with the logging community. It is easy for us to work with a logging operator and quickly sign them up to help out on fire, so bringing the iron and the heavy equipment to help us out is critical. It really works well with our model of fighting wildfire.

Governor Little: Do you and your fire crew anticipate any change now that we are probably 50% plus going to be fighting fire on a credit card instead of with cash. We did it before with deficiency warrants, but recently we have been doing it with cash. When you get to that point in time when you have to start issuing deficiency warrants, you probably are going to be getting phone calls, will it change some of the strategy and tactics that you use in fire.

Director Miller: Governor, we have a huge obligation as you know when it comes to fire suppression. We will continue to fight those fires, we will rack up debt, though. We are going to continue being aggressive and jump on these fires as quickly as possible and go full suppression as long as it is safe. It is concerning that we would rack up some debts and it would be up to me to work with our legislative partners

during the following legislative session to correct the accounts and make sure the bills are all paid. I believe since I have been director, Governor, we have had the cash balance. It is a very smart way to plan for fire; I appreciate your efforts, Governor, and the support of the Board for that. Other states have been in a tough situation; we saw it in Oregon where they ran out of money and the legislature had to be brought back during the summer to appropriate additional funding. We will keep our fingers crossed that we, knock on wood, have a mediocre fire season, but you look at the trend, we have to be prepared for what is to come. We will give a brief fire season precursor in May and then the Land Board will get an in-depth briefing in June. We will have other folks come in to provide a briefing from predictive services, our state forester and bureau chief will be presenting on our readiness reviews and a number of other things, and throughout the season we will make sure we continue to provide the Land Board with our best cost estimates and track that very closely.

Attorney General Labrador: Director, as you look at your planning and your strategy, I worry about bureaucracies wanting to keep growing the number of employees, and as we are giving you more resources, as the legislature is giving you more money for tools and other things, I need to understand better why you need to grow the number of employees to fight these fires. I have praised you and your Department, especially when compared to the federal government, you do better fire mitigation, better fire management, better firefighting, you do all of those things much better, but you also have a large bureaucracy. Are you utilizing all your resources adequately, are there some people in other departments, other areas, that maybe you do not need anymore, that maybe you could use those resources for firefighting. We had to do that at the Attorney General's Office; there are some new initiatives that we decided to do, and we have not always gone to the legislature to ask for more money, we just asked a couple of attorneys to do more work and more efficient work and use those positions for new initiatives that we wanted to do. So, as you are looking at your strategic plan, I want you to look at everything, not just the firefighting aspect of your job, but are there some people that maybe you do not need to have doing the job, maybe two people are doing the job that maybe one and half could be doing, just giving an example, and I want to have more discussion with you about that. We do not need to keep growing numbers of employees if it is not necessary.

Director Miller: Absolutely, Governor and Mr. Attorney General, we are always cognizant of growth in government. Fire, unfortunately, is expensive but I like to pride ourselves on how we fight fire; we try to keep costs as low as possible. In terms of the employees and the FTPs, those are vetted very carefully. When we need a new position, like within our fire program, we take a look at the need, is somebody doing that work, can other people take on that workload, and what we are finding given the changing dynamics and the different fire regime, we have to have more of that expertise, particularly in aviation. I think it is wise for us to invest in personnel that can help manage our aviation program, and aviation is critical in wildland firefighting. To have the expertise in our agency and fill positions in key roles like aviation are vitally important, and not just aviation but other overhead positions. We want to have a well-trained and experienced firefighting force, but we want to make sure we continue to put safety first and have those high-level positions. The experience necessary to fulfill the requirements of those positions may cause us to add and request some FTPs, but we evaluate those very carefully. When it comes to fire

season, if it is a bad fire season and resources are stretched thin and we might be at preparedness level 1 or 2, I oftentimes send out an all hands email; we have a number of our foresters and range staff and other jobs in the agency that also have fireline qualifications or maybe they have qualifications to fill in roles on incident management teams, and it does not take much to convince some of our permanent staff who have those fire qualifications to jump in and help out. It is an all-hands event; we rely heavily on others within the agency to do that. We certainly are mindful of the growth, and we want to be very careful with how we vet those positions, and bringing those positions to the Board for approval.

Governor Little: How many non-fire dedicated are red carded? You are going to give us a report.

Director Miller: I will give you the report; I do not know that number off the top of my head. We have a significant amount.

Governor Little: We will get the red carded people from the National Guard, too.

### **Executive Session**

None

There being no further business before the Land Board, at 10:36 a.m. a motion to adjourn was made by Attorney General Labrador. The motion carried on a vote of 5-0.