

Agenda



Board of Trustees Meeting Agenda

October 9, 2019

9 a.m.

Location: SITLA Offices 6th Floor Boardroom
675 East 500 South, SLC UT 84102

1. Welcome

2. Approval of Board Meeting Minutes

- September 10, 2019
- September 11, 2019

3. Confirmation of Upcoming Meeting Dates

- November 13th Regular Meeting
- December – No Meeting Scheduled
- January 8th Regular Meeting
- February 12th Regular Meeting
- March 11th Regular Meeting

4. County Advisory Committee, Utah Tribes, and Public Comment Period

5. Chair's Report

- Election of Board Leadership: Chairman
- Election of Board Leadership: Vice-Chairman

6. Advocate Report

- Justin Atwater, Director, Trust Lands Protection & Advocacy Office

7. Notification and Discussion Items

- a. Notice of Minor Development Transaction – Proposed Sale of 1.68 Acres – Kayenta
 - Kyle Pasley, Deputy Assistant Director, Planning & Development – St. George

8. Director's Report

- a. Notification of Current Events
 - Dave Ure, Director
- b. BLM Travel Management Planning Update
 - Chris Fausett, Deputy Assistant Director, Surface

- c. Proposed Negotiated Sale of Water Right in John's Valley, Garfield County – C-26847
 - Kim Christy, Deputy Director, Surface & External Relations

9. Closed Session

10. Adjourn

Items may be heard in any order, at any time, at the Board's discretion. Board members may participate in the meeting via electronic means.

Please be aware that the public portions of this meeting may be broadcast live over the Internet. Also, be aware that an audio recording of the public portions of this meeting, along with any materials presented or distributed in the public portions of this meeting, will be posted on Utah's public notice website. Witnesses with questions, concerns, or handouts should contact staff.

In accordance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact Chelsea Meacham at 801-538-5110, or by email at clmeacham@utah.gov, at least three (3) days in advance.

I, Chelsea Meacham, SITLA Board of Trustees' Administrative Assistant, hereby certify the foregoing agenda was emailed to the Salt Lake Tribune, was posted on the Utah State Public Notice website, <http://pmn.utah.gov>, SITLA's website at <https://trustlands.utah.gov/>, and was posted at SITLA's Offices, 675 East 500 South, Suite 500, SLC, Utah 84102. *Posted and dated on the 25th day of September, 2019.*

7a

Notice of Proposed Sale: Kayenta

Memorandum

TO: Board of Trustees, School and Institutional Trust Lands Administration

FROM: Aaron Langston, Project Manager, P&DG Utah South

DATE: September 16, 2019

RE: *Notice of Minor Development Transaction – Proposed Sale of 1.68 acres in Kayenta, Utah*

BENEFICIARY: Schools

Site History

This small triangular 1.68 acre parcel on the south side of Highway 91 has little attraction for development, but carries a reasonable demand for utilities and infrastructure. The subject parcel is further split by what is presumed to be an RS2477 road called Anasazi Road that has historically, and continues to provide access to the BLM parcel south and west of the subject parcel. In addition, the parcel carries an existing easement to UDOT for the highway, to Rocky Mountain Power for a power line, and to the Washington County Water Conservancy District (WCWCD) for a buried waterline.

Proposed Project

The WCWCD now desires to add a pump station to this site that will eventually help pump culinary water to the surrounding lands, including our lands in Kayenta on the north side of Hwy 91 that are under development lease with Terry Martin.

Initially, the request was to purchase a 0.22 acre site for the pump station. Staff, recognizing the impracticability of developing the balance of the site if it were to dispose of this piece nearest the highway, met with the WCWCD to discuss the disposal of the entire 1.68 acre parcel.

The Offer

Based on the existing encumbrances and development challenges, Staff estimated this land might be valued at approximately \$15,000 per acre. At 1.68 acres, that yields \$25,200 for the subject parcel. The value will be verified by appraisal. Staff solicited competitive offers by running an ad in the St. George Spectrum for three weeks, as well as on the Trust Lands website. No additional offers were received.

Deal Structure

Upon Board of Trustees approval, the WCWCD will purchase the parcel for \$15,000 per acre or appraised value, whichever is higher.

Return to the Trust

The Trust not only receives full compensation for the subject parcel, but also continues to benefit from the infrastructure.

Recommendation

Staff recommends selling the property as outlined above. The Real Estate Sub Committee reviewed this transaction in their meeting September 23 and was favorable in their review.

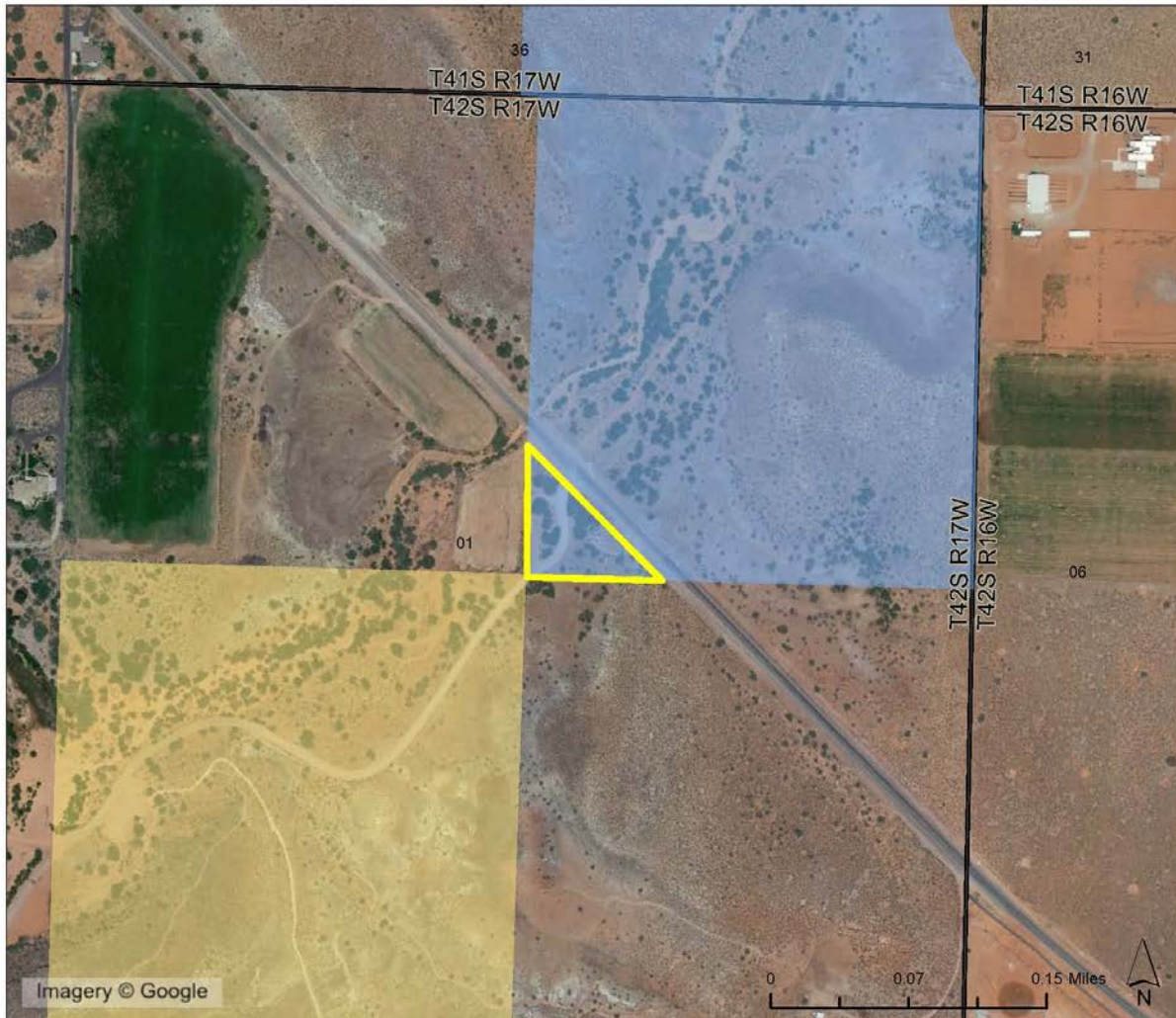
Exhibit A

SUBJECT PROPERTY



C 26831 - Kayenta Pumpstation

T42S R17W within Sec. 1, SLB&M
Washington County



- C 26831 (1.68 Acres)
- Land Ownership and Administration**
- Bureau of Land Management
- Private
- State Trust Lands



Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. SITLA provides this data in good faith and shall in no event be liable for any incorrect results, or any special, indirect or consequential damages to any party, arising out of or in connection with the use or the inability to use the data hereon. Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit." The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current trust land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM. Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-GIS@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention. Produced: July 22, 2019 - bradyjohnson

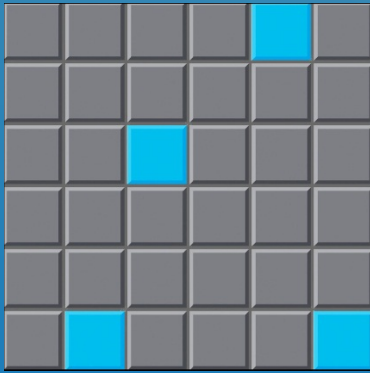
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Date: 7/22/2019 Coordinate System: NAD 83 UTM Zone 12N Projection: Transverse Mercator

8b

BLM Travel

Management Update



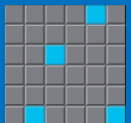
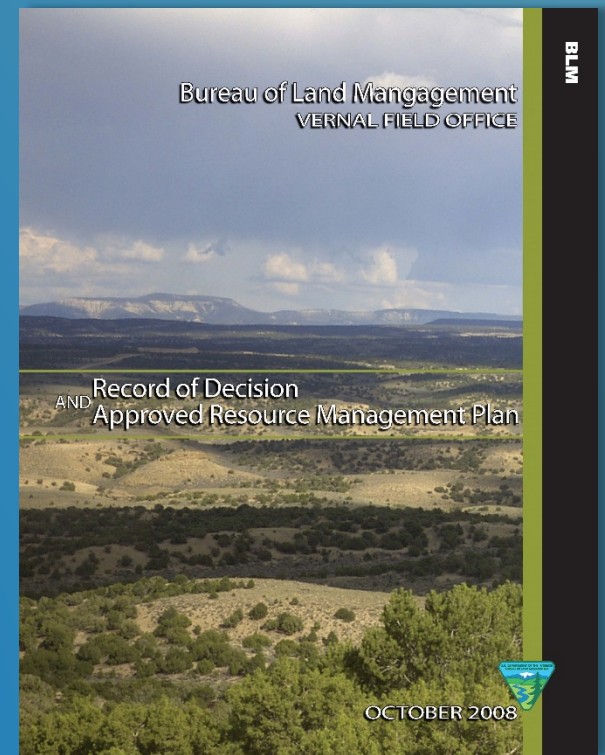
STATE OF UTAH
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

BLM Travel Management Update

September 11, 2019

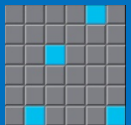
Background

- 2008 – BLM issued six Resource Management Plans (RMP's) and associated Travel Management Plans (TMP's)
 - Kanab
 - Moab
 - Monticello
 - Price
 - Richfield
 - Vernal



Background

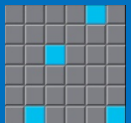
- 2008/2010 - Lawsuits filed against BLM by 10 conservation groups to challenge the RMPs & TMPs
 - SUWA
 - Natural Resource Defense Council
 - Wilderness Society
 - National Parks Conservation Association
 - Grand Canyon Trust
 - Sierra Club
 - National Trust for Historic Preservation
 - Utah Rivers Council
 - Great Old Broads for Wilderness
 - Rocky Mountain Wild



Background

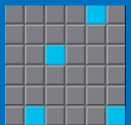
Lawsuit Allegations – BLM did not:

- Take a “hard look” at environmental impact of OHVs pursuant to NEPA
- Sufficiently consider the impacts of OHV’s in the context of climate change
- Comply with FLPMA with respect to air quality standards
- Properly analyze ACEC’s
- Comply with Wild and Scenic Rivers Act
- Apply “minimization criteria” with respect to OHV’s
- Make a good faith effort to identify cultural resources



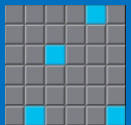
Background

- Defendant Intervenor:
 - BlueRibbon Coalition
 - Colorado Off-Highway Vehicle Coalition
 - Trails Preservation Alliance
 - State of Utah
 - Carbon, Duchesne, Daggett, Emery, Grand, Kane, San Juan, and Uintah Counties
 - SITLA
 - Badlands Energy
 - Crescent Point Energy US Corp.
 - EOG Resources
 - XTO Energy



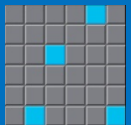
Background

- Court began with adjudicating claims challenging the Richfield RMP and TMP
- November 4, 2013 – U.S. District Court Ruling – Judge Kimball:
 - BLM did not discuss the “minimization criteria” in the ROD, RMP, or other planning documents
 - BLM violated the National Historic Preservation Act
 - Did not make a good faith effort to identify cultural resources
 - Required BLM to complete intensive “Class III” surveys along all 4,277 miles of designated routes



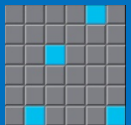
Background

- May 22, 2015 – U.S. District Court Order
 - BLM to resolve issues in a phased manner over three years
- January 13, 2017 – Settlement Agreement Reached
 - Parties:
 - BLM
 - SUWA et. al.
 - BlueRibbon Coalition
 - Colorado Off-Highway Vehicle Coalition
 - Trails Preservation Alliance



Background

- “Do not oppose or object”:
 - SITLA
 - Badlands Energy
 - Crescent Point Energy US Corp.
 - EOG Resources
 - XTO Energy
- Not Parties to Settlement:
 - State of Utah
 - Carbon, Duchesne, Daggett, Emery, Grand, Kane, San Juan and Uintah Counties



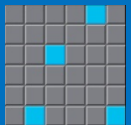
- BLM to issue new TMPs for several travel management areas (~1/2 of previous)
- Specific deadlines
- Remainder of 2008 RMPs stay in place

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Travel Management Planning Process

- Cooperating Agency MOU
- Route Inventory
- Public Scoping
- Route Evaluation Meetings
- Development of Alternatives
- Draft Travel Management Plan & Environmental Assessment
 - Administrative Review
 - Public Comment Period
- Final TMP/EA
- Decision Record



Planning Areas and Deadlines

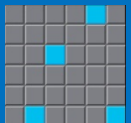
BLM Travel Management Planning Status

Printed 9/4/2019

TMP Area	BLM Field Office	BLM Acreage	SITLA Surface Acreage	SITLA Mineral Acreage	Completion Date	Cooperating Agency MOU	Route Evaluation Meetings	Review of Preliminary Route Evaluations	Review of Admin. Draft TMP	Final TMP, EA, Decision Record
Henry Mountains/Fremont Gorge	Richfield	1,451,412	169,851	179,352	11/30/2019*		*			
San Rafael Desert	Price	377,608	45,724	52,061	11/30/2019*	X	*	X	X	
Dinosaur North	Vernal	220,296	21,870	41,292	11/30/2020	X	X			
Canyon Rims (Indian Creek)	Moab	90,954	10,436	12,049	5/31/2021	X	X			
Trail Canyon	Kanab	182,724	30,510	53,115	5/31/2021		Begin Nov. 2019			
San Rafael Swell	Price/Richfield	1,154,410	144,446	146,820	11/30/2021	X	Begin Oct. 2019			
Book Cliffs	Vernal/Moab	602,748	134,522	143,488	11/30/2022	X	In Process			
Labyrinth/Gemini Bridges	Moab	303,994	32,398	33,580	5/31/2023	X	X			
Paunsaugunt	Kanab	164,603	66,100	85,177	5/31/2023					
Nine Mile Canyon	Price/Vernal	164,603	66,099	85,177	5/31/2024					
Dolores River	Moab	126,829	7,740	7,740	5/31/2025	X	X			
TOTAL		4,840,181	729,696	839,851						

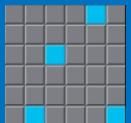
* Completed prior to settlement agreement

- 13 Planning Areas
- 5 BLM Field Offices
- Each one involves trust lands
- BLM recently notified the court they would miss two deadlines:
 - Henry Mountains/Fremont Gorge – undetermined finish date
 - San Rafael Desert – anticipated to finish by 2/28/2020



Observations

- Each BLM field office is different
- Meeting with each field office prior to TMP start is effective
 - Establish relationships
 - Lets them know we're serious
- Most important phase is the route evaluation meetings
 - SITLA must actively participate in each session
- PLPCO and most counties have been active participants
- On-the-ground knowledge is important
- Time consuming – particularly the route evaluation meetings
- Comment timeframes are very compressed, 2-3 weeks



8c

Proposed Negotiated Water Right Sale: John's Valley

MEMORANDUM

DATE: September 16, 2019

TO: SITLA Board of Trustees

FROM: Chris Fausett and Ron Torgerson, Deputy Assistant Directors - Surface
Kim Christy, Deputy Director

SUBJECT: Proposed negotiated sale of 36 acre/feet of water in John's Valley, Garfield County
C-26847

FUND: Multi-beneficiary

The Agency is requesting board approval to sell 36 acre/feet of water in the John's Valley area of Garfield County to Tru North Holdings LC ("Tru North") via negotiated sale. Following advertising, three competing bids were timely received. The high bidder was the original petitioner, Tru North, who offered \$14,000 per acre/foot (for a total purchase price of \$504,000).

Formal Board approval of this negotiated sale is required pursuant to Utah Administrative Code R850-80-620(3), as the proposed purchase price of this asset is greater than \$250,000.

BACKGROUND INFORMATION – WATER RIGHTS

The Trust owns two significant water rights in the Johns Valley area of Garfield County which are summarized below:

Water Right No. 61-10

Source: Hunt Creek, Garfield County
Priority Date: 4/21/1910
Status: Certificated
Use: Irrigation of 119.3866 acres
Quantity: 358.16 ac/ft

Water Right No. 61-11

Source: Hunt Creek and Tom Best Spring, Garfield County
Priority Date: 4/21/1910
Status: Certificated
Use: Irrigation of 94.094 acres
Quantity: 282.27 ac/ft

These water rights are currently being put to beneficial use for irrigation purposes by OLA, Inc. under Special Use Lease No. 1860 (SULA 1860). SULA 1860 was issued beginning June 1, 2017 for a 10-year term with an expiration date of May 31, 2027. The lessee currently pays \$24.00 per ac/ft per year for use of the water. Under the lease the Trust may terminate the rights for the lessee to use all or a portion of the water with a minimum of 60 days' notice.

PROPOSAL

Tru North desires to develop a hotel facility on lands they own located approximately two miles west of the Bryce Canyon Airport. They have already developed a well on the property which yields 50-60 gpm. This area is closed to appropriations by the Utah Division of Water Rights (UDWRi). In order to develop and sustain the hotel facility, Tru North needs to purchase 36 ac/ft of water.

DEAL STRUCTURE

The purchase would be structured as a cash deal, no financing will be offered by the Trust.

Upon execution of a water purchase agreement Tru North will be required to deposit the full amount of \$504,000 in an escrow or suspense account. SITLA will then file an application with the UDWRi to move 36 ac/ft of water from Water Right No. 61-10 to Tru North's well for use in the hotel facility. Upon approval of the change application, SITLA will deed the water to Tru North and the payment will be transferred to the Trust. SITLA's lessee under SULA 1860 will also be required to retire 12 acres from irrigation under Water Right No. 61-10.

NOTICE/ADVERTISING

Pursuant to R850-80-620(1) and R850-80-615 the Trust advertised the water right for competing interest. The advertising period ended on September 9, 2019. The following competing bids were timely received:

- 1) \$2,778 per acre/foot (\$100,000 total)
Ola, Inc. DBA Flying V Bar Ranch (incumbent lessee)
Attn: RJ Jazo
3820 State St., Suite B
Santa Barbara, CA 93105
- 2) \$5,501 per acre/foot (\$198,036 total)
Mr. Shawn Draney, Counsel for Ruby's Inn
10 Exchange Place, 11th Floor
Salt Lake City, UT 84111

- 3) \$14,000 per acre/foot (\$504,000 total)
Tru North Holdings LLC
Attn: Travis Holm
2120 Cottonwood Canyon Road #125
Holm, UT 84718

The proposed sale was reviewed internally by all of SITLA's management groups and no conflicts were identified.

BENEFICIARY ALLOCATION

Revenue from the sale of this water right would be allocated pro-rata among all beneficiaries based on their percentage ownership of surface lands at the time the sale is consummated.

RECOMMENDATION

The Agency believes it is in the best interest of our beneficiaries to sell a small portion of its John's Valley water rights (approximately 6%) for what we feel is a premium price. The Surface/Water Rights Committee reviewed this proposed sale and recommended that it be brought before the full board for consideration and final action.

John's Valley Water Right Negotiated Sale (C-26847)

