

*The Board of Trustees
of the
School and Institutional Trust Lands Administration*

Subject: Written determinations concerning January 20, 2022 Board Meeting

Don Foot, as Chairman of the Board of Trustees (the "Board") of the School and Institutional Trust Lands Administration, pursuant to Utah Code Section 52-4-207(4), hereby makes the following determinations concerning the need to hold an electronic meeting of the Board, without an anchor location, on January 20, 2022.

Facts upon which determination is based:

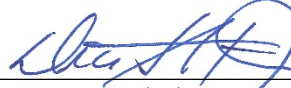
- Federal, State and local authorities have recommended that individuals limit public gatherings and that individuals experiencing symptoms of COVID-19 self-isolate to prevent and control the continuing spread of COVID-19.
- The public monitoring and participation requirements, and the anchor location requirement, in the Open and Public Meetings Act, Utah Code Section 52-4-101 et seq. will gather interested persons, members of the public, and members of a public body in a single, confined location where the risks of further spreading COVID-19 are far greater.

Determination concerning conduct of January 20, 2022 Board meeting:

- In light of the facts referenced above, conducting the January 20, 2022 meeting with an anchor location at which the public and other interested parties are permitted to attend presents a substantial risk to the health and safety of those who may be present at the anchor location;
- The Board will therefore hold an electronic meeting without an anchor location, and will provide an electronic means by which the public may hear the open portions of the meeting, as well as an electronic means by which members of the public may provide comment to the Board;
- The above findings will be included within the public notice of the January 20, 2022 meeting, and will be read into the record at the beginning of that meeting.

Entered this 10th day of January, 2022.

BOARD OF TRUSTEES, FOR THE UTAH
SCHOOL AND INSTITUTIONAL TRUST
LANDS ADMINISTRATION



Don Foot, Chairman



Board of Trustees Meeting Agenda

Thursday, January 20, 2022

9:00 a.m.

VIRTUAL ELECTRONIC MEETING

Notice regarding special restrictions for this electronic meeting.

In light of federal, state and local COVID-19 guidelines, and consistent with the Board chairperson's written determination dated January 10, 2022, this Board of Trustees meeting will be held via electronic means only. No anchor location will be used, and members of the public will not be allowed to attend this meeting in person. The Board chairperson's January 10, 2022 determination concerning the conduct of the January 20, 2022 meeting included the following:

Facts upon which determination of need to hold an electronic meeting of the Board, without an anchor location, on January 20, 2022, is based:

Federal, State, and local authorities have recommended that individuals limit public gatherings and that individuals experiencing symptoms of COVID-19 self-isolate to prevent and control the continuing spread of COVID-19.

The public monitoring and participation requirements in the Open and Public Meetings Act, Utah Code Section 52-4-101 et seq. will gather interested persons, members of the public, and members of a public body in a single, confined location where the risks of further spreading COVID-19 are far greater.

Determination concerning conduct of January Board meeting:

In light of the facts referenced above, conducting the January 20, 2022 meeting with an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location;

The Board, consistent with its recent practice under Utah Executive Order 2020-5, will therefore hold an electronic meeting without an anchor location, and will provide an electronic means by which the public may hear the open portions of the meeting, as well as an electronic means by which members of the public may provide comment to the Board;

The above findings will be included within the public notice of the January 20, 2022 meeting, and will be read into the record at the beginning of that meeting.

This meeting will be conducted via Zoom. Interested parties, including members of the public or representatives of county governments or Utah Tribes, may attend the meeting through the

following registration link:

https://us06web.zoom.us/webinar/register/WN_KIhIls2bRz2XvaYwy2HzFA. We recommend registering by 8:50 a.m. to avoid missing the beginning of the meeting. Those wishing to provide public comment will be asked at the beginning of the period designated for such comment to use the "raise hand" feature at the bottom of the screen within the Zoom meeting so they may be called upon to provide comment. Please call Lisa Jones at 801-538-5110 or email lsjones@utah.gov any time before 8:00 a.m. on January 20, 2022 with questions.

1. Welcome

2. Approval of Minutes

November 10, 2021 – Board Meeting

3. Confirmation of Upcoming Meeting Dates

February 17, 2022 – Board Meeting + Tour

March 17, 2022 – Board Meeting

April 20-21, 2022 – Board Tour – IPP, Delta, Millard County

4. EOG Status Report re: SITLA Royalty Audit Appeal by Hearing Officer and Parties

5. SITLA Funds in the Schools by Marla Kennedy, Communications Director

6. Public Comments

SITLA welcomes comments from the public. 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 (3) minutes for remarks. Any member of the public who desires to make a comment shall use the "raise hand" feature during the Zoom meeting. The public comment segment of the Board meeting is not the time for a question-and-answer discussion. SITLA staff are available for dialogue outside of Board meetings.

7. Chairman's Report by Don Foot

8. Director's Report by Dave Ure

a. Cinnamon Creek Sale Report by Michelle McConkie, Assistant Director, Surface

b. Building Search Update by Kyle Pasley, Assistant Director, Development

c. Salary Study Update by Scott Ruppe, Deputy Director

9. Advocate's Report by Tim Donaldson, Director, Land Trusts Protection & Advocacy Office

10. Board Action Items

- a. Approval of OBA – Non-Competitive Lease of Potash and Mineral Salts Lease, Grand County by Jerry Mansfield, Resource Specialist, Mining
- b. Request for Approval of the 2021/2022 SITLA Fire Rehabilitation / Habitat Enhancement Expenditures – Stewardship Funding by Ron Torgerson, Deputy Assistant Director, Surface

11. Notification Items

- a. Development Lease of 101 acres in Kanab, Kane County by Aaron Langston, Deputy Assistant Director, Development – South
- b. Sale of 1.0-acre parcel for a substation site in Green Springs, Washington County by Aaron Langston, Deputy Assistant Director, Development – South

12. Closed Session

Pursuant to Utah Code §53C-1-201(8)(a)(ii), the Board will conduct a strategy session to evaluate the terms of a joint venture or other business arrangement (OBA) authorized under Subsection 53C-1-303(3)(e) where public discussion of the transaction would disclose the estimated value of the trust asset under consideration or prevent the Board from completing the transaction on the best possible terms. Specifically, the Board will discuss potential joint venture or OBA terms concerning trust lands within the Northwest Quadrant of Salt Lake City.

13. Adjourn

10a

Approval of OBA –
Non-Competitive Lease
of Potash and Mineral
Salts Lease, Grand
County

BOARD MEMORANDUM

DATE: January 20, 2022

TO: Board of Trustees, Utah School & Institutional Trust Lands Administration (SITLA)

FROM: Tom Faddies, Assistant Director/Minerals
Jerry Mansfield, Resource Specialist

RE: Other Business Arrangement (OBA) – Non-Competitive Lease of Potash and Mineral Salts Lease, Grand County, Utah, A1 Lithium Inc.

LANDS PROPOSED FOR LEASE:

T25S, R19E, SLB&M
Sec. 32: All

Grand County
2,077.56 Acres

T26S, R19E, SLB&M
Sec. 16: All

T26S, R20E, SLB&M
Sec. 2: Lots 1-8, S2N2, S2 (All)
Sec. 16: W2SW4

Fund: School

APPLICANT: A1 Lithium Inc.
1635 Village Centre Circle
Suite 150
Las Vegas, Nevada 89134

As provided for under Utah Code Anno. 53C-2-401(1)(d)(ii), which permits the Board of Trustees to approve “other business arrangements”, A1 Lithium Inc.(A1) on November 23, 2021, submitted a proposal to lease, under the Potash and Mineral Salts minerals lease categories the above-referenced land.

This proposed OBA has been reviewed by the SITLA Board’s Mining Committee and they have recommended the Board consider it for approval.

Background

There are currently active oil, gas, and hydrocarbon leases on these lands. The leases are ML 53659 held by Wasatch Energy Management LLC, ML 53658 held by Wilcox Oil & Gas, Inc., ML 43565, and ML 53660 held by Kirkwood Oil & Gas, LLC. ML 43565 is currently in production.

A1 Lithium was previously granted SITLA Potash and Mineral Salts leases ML 53853 OBA and ML 54099 OBA; and are currently in the process of meeting their work requirements for these leases. They have spent over \$500,000 preparing two drill pads and expect to expend an additional \$5 million in completing these wells. In addition, a Plan of Operations has been filed for the re-entry of two wells in the western portion of their land holdings. A1 Lithium expects these operations to increase and extend their “JORC” (Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves) resource onto the SITLA lands that they have applied for with this Other Business Arrangement.

Proposal

A1 Lithium proposes to lease the above-described lands for Potash and Mineral Salts for the purposes of producing lithium, bromine, iodine, and boron. They propose to pay a bonus bid of \$5.00 per acre and lease the lands under SITLA’s current Potash and Mineral Salts standard lease form that starts at \$4.00 per acre rental with a production royalty of 5%.

Recommendation

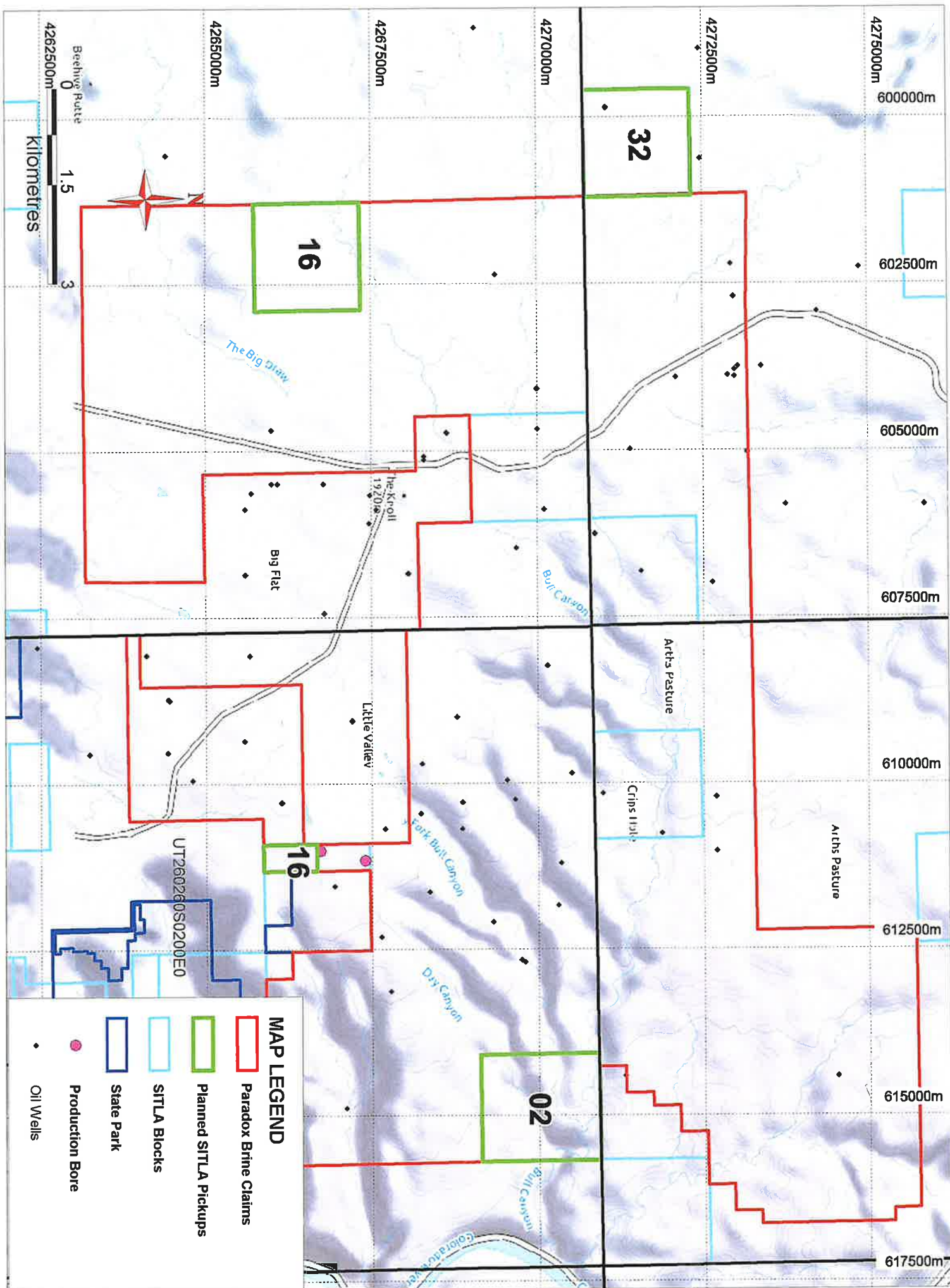
The Trust Land Administration Mining and Oil and Gas staff have reviewed the A1 Lithium proposal and recommend that the Board of Trustees, of the School and Institutional Trust Lands Administration, grant approval to issue an “Other Business Arrangement” (OBA) lease to A1 Lithium for Potash and Mineral Salts that will enable them to produce Potassium Salts as well as Salts of Lithium, Boron, Bromine, Magnesium, Sodium and Calcium. The issuance of the Potash and Minerals Salts OBA lease will include the following conditions:

- One - time Bonus bid of \$5.00 per acre (\$7,180.00)
- Standard Annual Rental rate for Potash and Mineral Salts lease (\$4 per acre, total \$5,744.00)
- 5% production royalty
- Ten-year lease term

Respectfully Submitted by:

Tom Faddies
Assistant Director of Minerals

Jerry Mansfield
Resource Specialist



10b

Request for Approval of
the 2021-2022 SITLA
Fire Rehabilitation /
Habitat Enhancement
Expenditures –
Stewardship Funding

MEMORANDUM

DATE: January 5, 2022

TO: SITLA Board of Trustees

FROM: Michelle McConkie, Assistant Director – Surface; Ron Torgerson, Deputy Assistant Director – Surface

SUBJECT: Request for Approval of 2021/2022 SITLA Fire Rehabilitation/Habitat Enhancement Expenditures – Stewardship Funding

BENEFICIARIES: Schools (90%) Reservoirs (1.5%) School of Mines (1%) University of Utah (6.5%) and Utah State University (1%)

Proposed Action:

SITLA requests the Board's approval of an expenditure of stewardship funds in the amount of \$225,000.00 to the State of Utah's Watershed Restoration Initiative ("UWRI") program, which is managed by the Department of Natural Resources.

This expenditure will fund a portion of one UWRI fire rehabilitation project and two Sage Grouse/Habitat projects on trust lands in fiscal year 2022 ("FY2022"). The fire rehabilitation project will focus on seeding areas burned by the Flatt Fire in 2021 to stabilize watersheds, decrease erosion and debris flows, increase forage for livestock, restore sage grouse and wildlife habitat, protect against noxious weed invasions, and reduce the threat of subsequent fires on these lands. The two habitat projects will focus on removing invasive cheatgrass as well as controlling encroaching conifer species from invading critical sagebrush habitat for sage grouse. Sage grouse populations continue to decline and are a current focus for the state of Utah.

The beneficiary of the trust lands involved in these projects is mostly Schools with a very small amount that includes Reservoirs, School of Mines, University of Utah, and Utah State University. Therefore, it is recommended that stewardship funds attributed to this beneficiary be used accordingly for the expenditure.

Introduction:

The UWRI program receives funding from federal and state agencies, non-governmental organizations, and sportsman groups to restore watersheds throughout Utah. The table below shows the total statewide acreage impacted by wildfire and the associated suppression costs for 2018, 2019, 2020, and 2021. 2018 was an exceptionally severe year for wildfires, while 2019 had a below average number of wildfires due to a heavy winter and wet spring. 2020 was an above average wildfire season in Utah with a record-breaking number of human caused fires. Covid-19 sent masses of people to the outdoors to social distance and get away with families which resulted in careless preventable fires throughout the state, many of which impacted trust lands. Of the record 1,453 fires, 1,067 were human caused fires. 2021 was historically hot and dry. We figured we were in for another above average fire season. Fortunately, Utah had a below average fire year (1,136 fires) with the number of human caused fires dropping from 1,067 in 2020 to 575 in 2021. The state did a great job with their public fire prevention information campaign which resulted in less human caused fires and acres burned throughout the state in what very easily could have been the worst year yet. The rest of the country had an above average fire year.

SITLA has provided significant funds each year for the past several years to UWRI to participate in rehabilitating trust lands burned by wildfires and to make sage grouse habitat improvements. Those funds are often matched and go a long way in rehabilitating important rangelands throughout the state. The table below give some date on acres burned and the fire suppression costs.

Year	Acres Burned	Utah Fire Cost	US Fire Cost
2018	485,989	\$35 Million	\$3 Billion
2019	88,058	\$11 Million	\$1.5 Billion
2020	312,215	\$40 Million	\$2.25 Billion
2021	63,795	\$16 Million	\$4.4 Billion

Background Information:

This past year there were 14 fires that burned on trust lands. Of these 14 fires, 2 will be reseeded through coordination and cooperation with UWRI. SITLA will only be asked to help fund portions of the Flatt fire. The UDWR will fund the rehabilitation for portions of the Bear Fire through the UWRI due to the importance for wildlife. The table below shows the total amount of acres burned on trust lands this past year and the rehabilitation costs attributed to those lands. In addition to fire rehabilitation, we are involved in many other projects throughout the state that target habitat improvement for wildlife and increased forage production for livestock.

Fire	SITLA Acres	SITLA Costs	Total Project Cost on SITLA
Flatt Fire	886	\$125,000.00	\$194,314.00
Bear Fire	622.4	DWR Funded	\$18,275.00
Snake John Fire	451.4		
Sego Fire	120		
Goat Springs Fire	174.4		
Little Pass Fire	185.4		
Bear Paw Fire	44.7		
Puddles Fire	5		
Black Knoll Fire	5		
Clark Road Fire	3		
Lakeside Access Fire	1		
River Road Fire	8.6		
Turner Park Fire	18.5		
Westwood fire	21.8		
Totals	2,547.2	\$125,000.00	\$212,589.00
Sage grouse/Habitat Projects			
Hamblin Valley Habitat Project	1,104	\$50,000.00	\$540,284.00
East Bear Lake Habitat Project	1,400	\$50,000.00	\$192,100.00
Totals	2,504	\$100,000.00	\$732,384.00
Total		\$225,000.00	\$944,973.00

Conclusion:

Given the land stewardship responsibility of keeping trust lands productive and protected from negative natural resource consequences, the Trust believes that it is in the best interest of the affected beneficiaries to participate in meaningful ways, including financially, to assist ongoing efforts to rehabilitate wildland fires and improve habitat. Furthermore, the rehabilitation of a portion of this acreage will restore and enhance sage grouse habitat which is important to preventing sage grouse from being listed as an endangered species and the associated potential negative impact to Trust revenues.

This funding request has been reviewed by the Board's Surface Committee with a favorable recommendation that the request be considered by the full Board of Trustees.

We respectfully request the Board's consideration and approval of this \$225,000.000 expenditure of stewardship funds to leverage help from UWRI to rehabilitate burned trust lands and improve sage grouse habitat throughout the state.

11a

Development Lease of
101 acres in Kanab,
Kane County

Memorandum

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

FROM: Aaron Langston, Deputy Assistant Director, P&DG Utah South

DATE: January 20, 2022

RE: *Notice of Minor Development Transaction –Development Lease of 101 acres in Kanab, Kane County, Utah*

BENEFICIARY: Miners Hospital

Site History

Demand for the 101-acre parcel in Kanab just south of Jackson Flat Reservoir in Kanab has been low with no substantial development opportunities until 2021, when the Trust was approached by an individual wishing to lease the block for a proposed golf course that would span the entire 101-acre parcel and the surrounding BLM lands.

In response to the golf course proposal, the Trust initiated a Request for Proposal (RFP) on July 8 to advertise the lands for competing offers. The RFP ran for nearly two months and closed on September 1, 2021, yielding two additional offers.

After a thorough review of the three proposals, and two meetings with the Real Estate Committee, moving forward with one of the proposed residential developments was deemed to be in the best interest of the Trust.

Proposed Project

Mountain West Development Group (Mountain West) proposes a 15-year residential development anticipating 200 vacation villages, 139 single family lots, and a 128-key hotel. Mountain West anticipates naming the neighborhood *Mineral Village* in honor of the beneficiary Miners Hospital.

The Trust is to receive a percentage of the total gross sales prices of the single-family homes and vacation village units (at the beginning of each 5th year SITLAs profit sharing increases by 1%). Minimum sales prices are set to protect guaranteed returns to the Trust, where average single-family homes will be at \$650,000 per unit and vacation village units will sell for an average price of \$550,000. Revenue to the Trust is expected to be \$4 million and \$5.1 million, respectively from these two components of the development lease.

The third component of the development lease is for a hotel, which is expected to be completed in year seven. In exchange for 14.6% membership interest, SITLA will provide a 5-acre parcel (within the 101-acre block) for the hotel. If Mountain West does not complete the hotel within the specified time, SITLAs membership interest increases to 16.6%. A 10-year hold should generate \$2.9 million to the Trust in distributions, and if the Trust chooses to sell its membership in year 10 the sale should generate an additional \$3.6 million to the Trust.

Return to the Trust

The Trust will meet its fiduciary responsibility by entering a development lease that will generate approximately \$15.7 million for the beneficiaries, with a net present value of \$6.7 million.

Intended Action

Move forward with the development lease with Mountain West as outlined in this memo. This item was vetted by the Real Estate Committee on October 26 and December 7, 2021.

SUBJECT PROPERTY

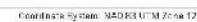
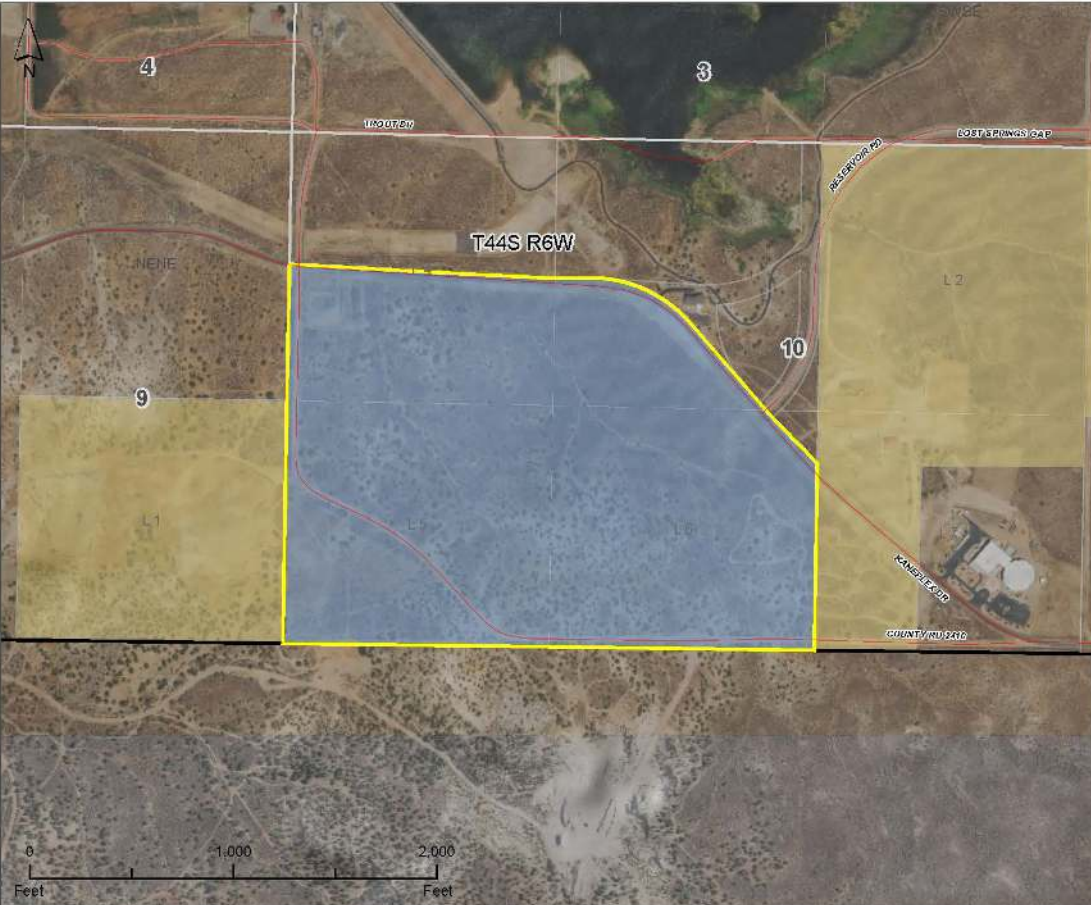
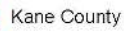


Exhibit B
Project Concept



Project Kanab ~100 Acres: Mineral Village



Hotel



Vacation Rentals



Vacation Homes



11b

Sale of 1.0-acre parcel
for a substation site in
Green Springs,
Washington County

Notification

TO: Real Estate Committee, School and Institutional Trust Lands Administration
FROM: Aaron Langston, P&DG Utah South
DATE: January 20, 2022
BENE: Schools
RE: *Notice of Minor Development Transaction—Sale of 1.0 Acre Parcel for a substation site in Green Springs*

Introduction

With the announcement of the Steward Health Care project at milepost 13, the City's power department concluded that the current power infrastructure would not be adequate to supply power to SITLAs proposed 570-acre residential development (the Green Springs PCD) and an energy-intense hospital.

SITLA and the City began working to identify a suitable location for a new substation that would serve the 80-acre health care campus and the east portion of the Green Springs PCD. Eventually, a site located just inside the Reserve was found to be suitable (most of the lands outside the Reserve in this area are already master planned or have significant soils and drainage challenges).

Over a decade ago the Habitat Conservation Technical Committee (TC) had approved the same site for parking for the Grapevine Trailhead. SITLA proposed co-locating the parking lot for the trailhead and the substation. However, the proposal would require a boundary exchange with the Reserve to pull the lands for the substation and parking lot out of the Reserve (possible because the Trust owns the lands inside and outside the Reserve at this boundary).

The Habitat Conservation Advisory Committee (HCAC) approved the proposed boundary exchange on November 23, 2021, but time will be required to finalize the approved exchange. In the meantime, Washington City plans to purchase the one-acre site for the proposed substation.

Current Offer

The proposed one-acre substation site situated inside the Reserve is to be purchased for the negotiated price of \$316,000, substantially above the appraised value of other lands inside the Reserve.

The remaining lands coming out of the Reserve from the boundary exchange (for the parking lot) will be monetized in the future when the parking lot is developed. The undevelopable lands going into the Reserve will be monetized in a manner consistent with the monetization of the remaining Trust Lands inside the Reserve.

Return to the Trust

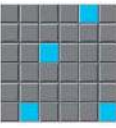
The Trust will meet its fiduciary responsibility by maximizing developable property and pricing at this location.

Intended Action

Upon Board approval, Staff will make arrangements with the buyer for a timely closing. This item was vetted by the Real Estate Committee on December 7, 2021.

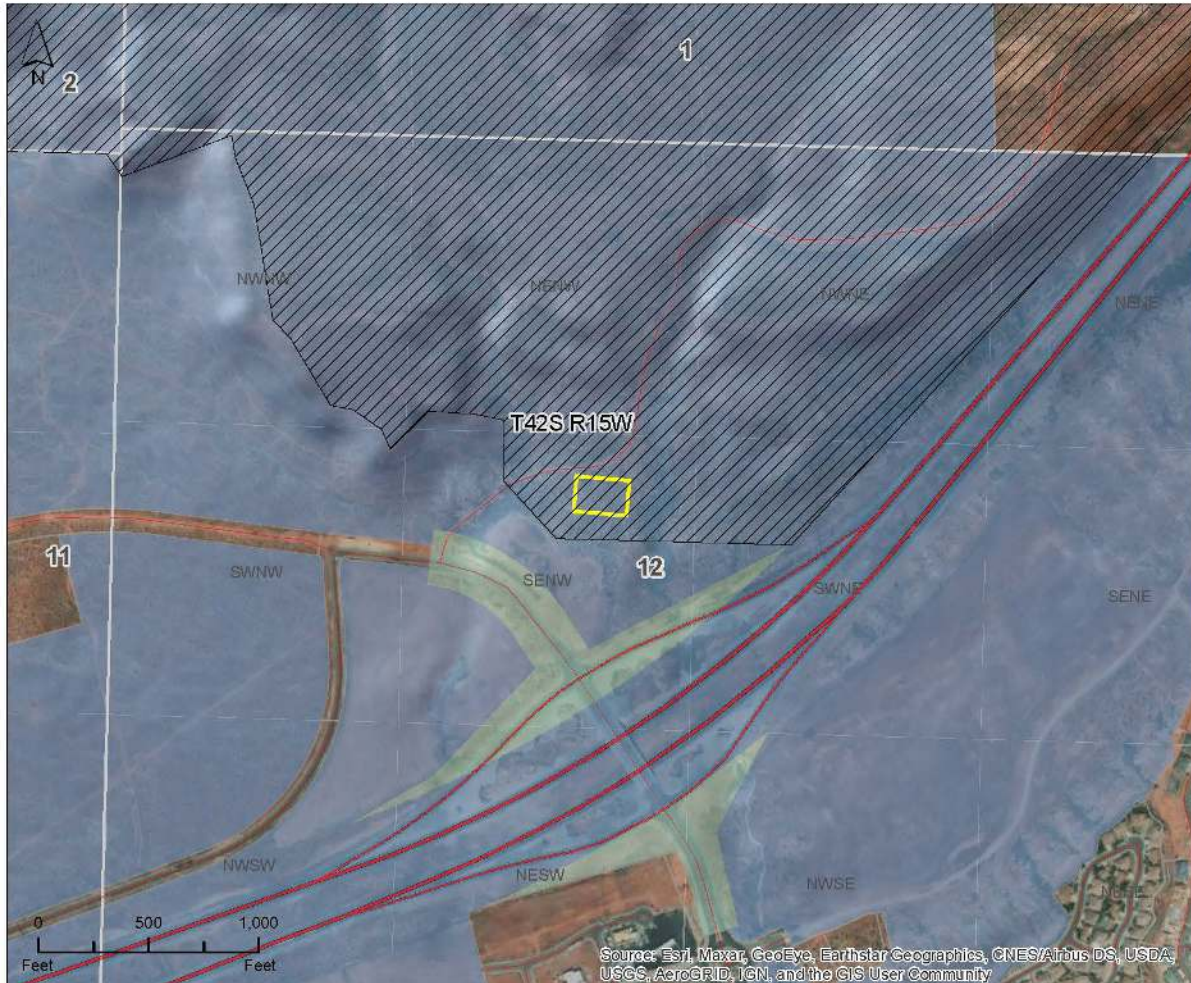
Exhibit A


Substation Site




Development Sale No. C 27049 - Washington City Substation


Washington County





 Desert Tortoise HCP Boundary



 Development Sale No. C 27049 - Washington City Substation - 1.00 Acres

Land Ownership and Administration

 Private

 State Trust Lands

 Other State

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN,

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Document Path: V:\GIS-Shares\GIS\GIS_Group\dtla\template\dtlaTemplate.aprx, Development: mrc

Coordinate System: NAD83 UTM Zone 12N

Exhibit B

DRAFT layout of substation, parking lot, and access road.

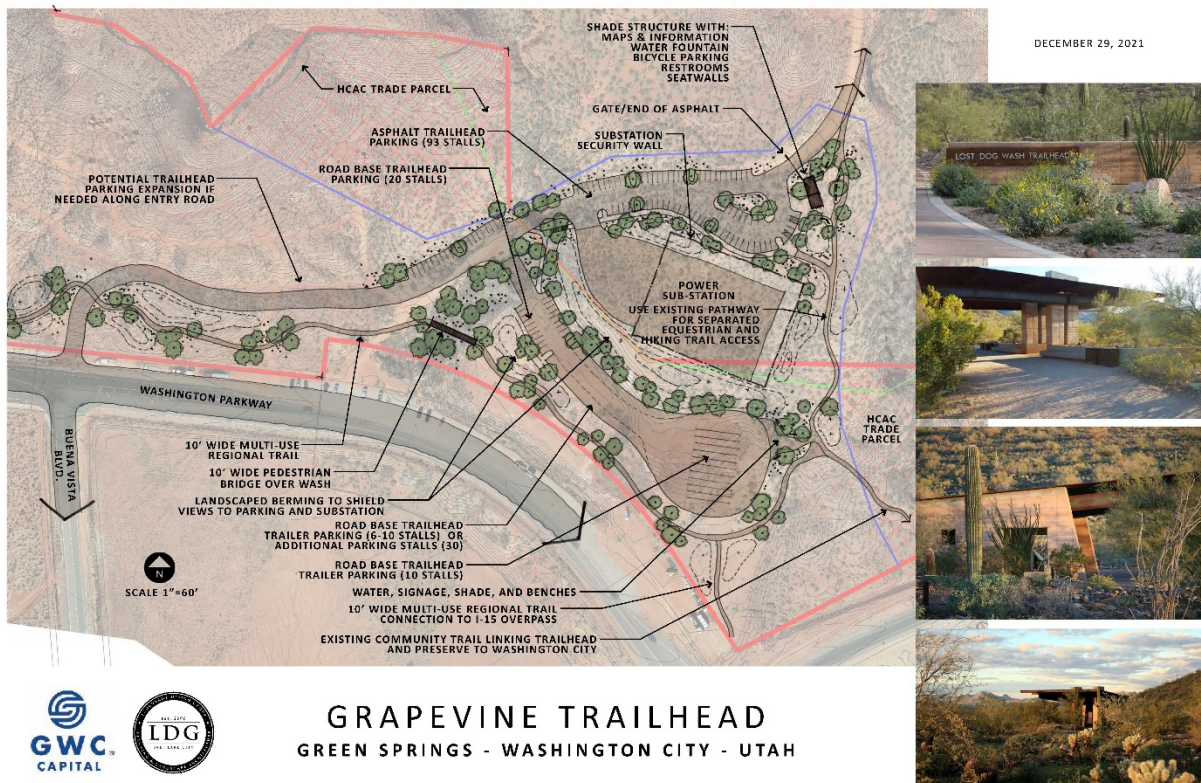


Exhibit C

Boundary Exchange

