

MANAGING THE WEST

...serving the future

Fall 2014

Volume 2 - Issue 4



2014 WSLCA

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Welcome to the Fall 2014 issue of *Managing the West*...

As fall rolls in, the members of the WSLCA have continued to move forward on many topics and issues raised at our summer conference. It has been a busy year for everyone, and in the last few months the pieces have really began to come together on so many of our projects. Our winter conference in January will no doubt be an exciting time for us to recap 2014 and set forth our plans for 2015.

Speaking of the winter conference, I hope you all are planning on attending. Arizona Commissioner and WSLCA Vice President Vanessa Hickman, and her staff, have planned an exciting conference in a beautiful location. Some of the topics include: working with our federal partners, ESA regulations and 404 permitting issues. Details continue to be added to the WSLCA [website](#) as they become available. You can make travel arrangements now, the hotel information and group code have been added to the site.

Another project that has continued to strengthen and grow is the WSLCA Affiliate Membership program. Member states continue to identify potential affiliates and we are pleased with the positive response we are hearing from our affiliates. I would like to welcome our most recent members: First Solar, Grant Thornton, Torch Renewable Energy, LLC, US Ecology, Inc. and Vanguard. To learn more about these members, or about the affiliate program, see page 5 of this newsletter or visit our [affiliate web page](#).

We have a couple of new features to point out in this issue as well. There is a "What's Happening" section with member state news and "Staying Connected" where you can find updates from the WSLCA committees. It is our intent to keep everyone informed about important and exciting happenings within our organization and individual states. I hope you find these new sections interesting and informative.

Finally, see page 2 for an update on the progress of the Advancing Conservation and Education bill that is being reviewed in committee. WSLCA members will be attending special meetings with Bureau of Land Management and Congressional staffs next week to discuss some of the concerns they have with the legislation. We expect these to be very productive meetings and will keep you updated as to the progress. During the interim Allen Freemyer has continue to meet with and educate the folks in Washington DC about the legislation and we thank him for his hard work on this project.

I hope each of you know that my "door" is always open. Should you need anything or have ideas to share, please feel free to contact me.

Arkansas Commissioner of State Lands
President, WSLCA

Washington Update...

WSLCA Summer 2014 resolutions distributed on the Hill

All of the WSLCA resolutions adopted this summer have been distributed, along with a cover letter, to members of natural resource focused House and Senate congressional committees and others in key federal leadership roles. Association members are encouraged to reinforce these communications by visiting with your state leaders and legislative offices. All resolutions can be found on the WSLCA website and by clicking this [link](#).

Advancing Conservation and Education (ACE) legislation plan

After a successful legislative hearing in late July, a small team of WSLCA representatives continues efforts to move the association in-lieu proposal forward. A meeting is set for October 28th with key BLM officials including Jamie Anderson, Advisor to the Director, for a proactive discussion of agency and association concerns. Currently scheduled to attend and representing WSLCA are association President and Vice-President, John Thurston (AR) and Vanessa Hickman (AZ), as well as, Kevin Carter and John Andrews (UT), Sunalei Stewart (NM), Kenneth Burleson (AR), Allen Freemyer, and the Wilderness Society will also attend the meeting.

The Department of Interior raised several concerns in their testimony before Congress and the meeting with the BLM will focus on resolving those concerns. Allen Freemyer has met with the BLM to prioritize the issues of concern and the Executive Committee has discussed these items and has agreed upon a direction for negotiations with the BLM. Also participating in the meeting will be staff with Congressman Rob Bishop and House Natural Resources Committee staff representing Congressman DeFazio. We do not view any of the BLM issues as major roadblocks to progress for the legislation and we expect to resolve the majority of these items during our October meeting.

While Members of Congress have been in their states campaigning for the November elections, WSLCA has taken advantage of less busy Congressional offices and has conducted numerous meetings with staff on our ACE legislation. During September and October, we have briefed Member offices on both sides of the aisle to educate staff about ACE, its advantages and urged support of Members of Congress. Furthermore, we continue to work on Sponsors for the Senate and expect to announce progress on that effort in the coming weeks. Thus far, our proposal is very well received and expect to have an impressive list of cosponsors for our effort next Congress.

What's Happening...

The following segment highlights member news and activities. It is intended to be regular feature of the association newsletter to share issues, connect solutions and celebrate successes.

ALASKA...

Water reservations are on the rise in Alaska with 31 issued so far this year, up from 25 issued in 2013. Natural Resource Commissioner Joe Balash praises the AK administration for its commitment in protecting the state's natural resources. Learn more about Alaska's water reservation process [here](#).

NEVADA...

In late August, Charles Donohue was officially appointed Administrator of the Nevada Division of State Lands. Many of you know Charlie as a long-time key employee of the office. He is looking forward to collaborating more

closely with his WSLCA colleagues in the near future. Take a moment and congratulate Charlie in his new role (cdonohue@lands.nv.gov).

OKLAHOMA...

Oklahoma Commissioners of the Land Office Diversifies Portfolio with Commercial Investments- Since statehood, the Oklahoma Commissioners of the Land Office has had the ability to sell and lease land for the benefit of public education. It was not until 2012, that the Land Office would have the ability to purchase real property for the maximum benefit of current and future beneficiaries.

HB 1022, Public Lands; allows for the use and investment of permanent school funds to purchase commercial property. This legislation allows for up to three percent of the permanent assets to be invested in real estate. Since HB 1022 was signed into law, over \$20 million in

commercial properties in the Oklahoma City area have been acquired. Guidelines and investment parameters were developed to insure the commercial properties acquired would be sound investments for the trust.

“We feel like this is a wise investment decision,” said Harry Birdwell, secretary of the Oklahoma Commissioners of the Land Office. “Returns on commercial real estate are far greater than many other investments at this time. This allows for increased monthly distributions to our beneficiaries. It is our constitutional duty to maintain the trust and maximize yields,” said Birdwell. “Adding commercial real estate investments to our portfolio will increase distributions to beneficiaries for years to come.”

Valuing Minerals a Milestone for Oklahoma Land Office-

Though still in its infancy stage, Oklahoma Commissioners of the Land Office is beginning the process to put a fair market value on oil and gas mineral holdings. Both producing and non-producing minerals will be valued. That has never been done in the history of the agency’s 106 year existence.

Producing minerals will be calculated through a mathematical equation to determine the valuation based on what is current production. Non-producing minerals, though harder to value, will be evaluated through an appraisal process to determine asset worth. Using these methods to value the mineral rights is due in large part to the amount of historical data retained for mineral production in the CLO’s new database management system.

“We are extremely excited about this process,” said Dave Shipman, director of minerals for the Oklahoma Commissioners of the Land Office. “This process is going to allow us to place an estimated value on the trust assets. No value adjustments have been made since statehood, meaning that all of our mineral holdings are valued at \$1,” Shipman said.

OREGON...

The Oregon Department of State Lands finalized a reorganization on 1 October. The new structure brings all water related activities (removal-fill permits, proprietary authorizations, and wetlands mitigation work) into one program called the Aquatic Resources Management (ARM) program. All assets that are constitutionally dedicated to the Common School Fund plus the Unclaimed Property unit, which now makes up

almost 50% of the Fund’s corpus, are managed within the Common School Fund Property (CSFP) program. The CSFP program also includes the Department’s Eastern Region Office which supports both CSFP and ARM work in the eastern half of the state. All administrative operations (IT, HR, Facilities, Fiscal, Clerical and Budget) are now organized in the Business Operations and Support Services (BOSS) program. The Director’s Office now includes the South Slough National Estuarine Research Reserve, legislative and policy analysts, communications, and State Land Board support. The Department anticipates the reorganization will increase efficiencies and decrease redundancies.

IDAHO...

Natural resource development continues to spark interest in Idaho. Increased mineral leasing activity is reaching state lands too. Recently the Idaho department of Lands auctioned over 5,000 acres, bringing their 2014 total leased acreage to almost 32,000. Learn more about where that bid money goes in Idaho by reading the whole story [here](#).

UTAH...

The Ute Indian Tribe held a celebration at Fort Duchesne Thursday, October 9 marking passage of the Hill Creek Cultural Preservation and Energy Development Act (H.R. 356/S.27), which passed both U.S. congressional houses and was signed by President Obama in July of this year. This federal legislation protects environmentally sensitive Ute tribal lands while generating oil and gas revenues for the Tribe and Utah’s public schools. Check out the entire story [here](#).

Member News

If you have news to share in our next newsletter or on the website, please email Dawn Efaw (TX) at dawn.efaw@glo.texas.gov or Nikki Heck (AR) at nheck@cosl.org.

Staying Connected...

Upcoming Committee Conference Calls & Planning

Several committees either have or are planning to have conference calls between the regular conferences. And, some subcommittees are forming to work on specific areas of focus.

Legislative Committee...

The Legislative Committee, chaired by Larry Laine (TX), will hold a conference call on November 5th at 1pm CST. Topics of discussion include: a Washington update on legislative issues, reviewing member surveys and feedback in support of WSLCA Strategic Initiatives, the proposed USFS Groundwater Directive, the EPA Clean Water Act (Waters of the United States) developments, Sage Grouse and planning agenda items for Phoenix meeting.

Members who would like to participate in the conference call should RSVP and obtain a call number through Jim Darwin (TX) at jim.darwin@glo.texas.gov.

Subsurface Lands Committee...

As previously considered at the meeting in Bismarck this summer, several member states are discussing the formation of a *Royalty Policy Working Group* under the Subsurface Lands Committee, chaired by Louis Renaud (TX). The focus would be on sharing best practice around contracting, accounting and auditing oil, gas and other minerals royalty. A conference call is scheduled for Tuesday, December 2nd, 10:30 CST to discuss the first meeting at the Phoenix conference in January.

Members who would like to participate in the conference call should RSVP and obtain a call number through Dale Sump (TX) at dale.sump@glo.texas.gov or Taylor Lee (ND) at tklee@nd.gov.

Other news...

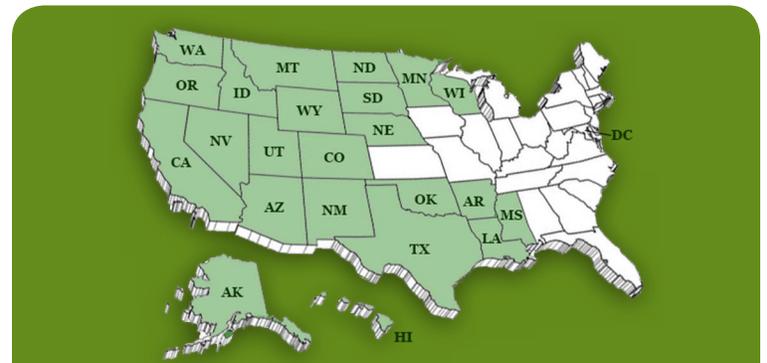
New association governance documents

In keeping with the Executive Committee action plan for 2014-15, association leadership is developing various governance policies. The first such policy adopted is the *Financial and Organizational Audit Policy* that provides guiding criteria for audits or reviews to ensure financial and organizational integrity and transparency. Association policy development is grounded in best practice reviews, and considers organizations of similar size, mission and funding mechanisms. All policies will be posted to the association website within the next week under the [About/Objectives, Bylaws & Policies](#) sub folder.

January 2015 Winter conference just around the corner...

Commissioner Hickman and staff stand ready to deliver an informative, action packed conference in a superb winter venue. You won't want to miss the Winter 2015 conference that is set to be held at the historic Frank Lloyd Wright inspired Phoenix Biltmore - "The Jewel of the Desert." It is hard to believe the conference is just two months away, and with the typical rush of the holidays, it isn't too early to go online to obtain member registration, hotel and travel arrangements. Click [here](#) to access

registration and conference information. A special room rate has been secured - be sure to ask for the reservation code "WSLCA".



www.wslca.org

Check out our website for information on:
Member states, affiliate members,
upcoming conferences and past
conference materials, adopted resolutions,
committee contacts and more.

Affiliate Memberships

WSLCA has adopted an Affiliate Membership program in order to provide public and private entities and individuals who share common interests in the WSLCA's objectives with an opportunity to formally communicate and cooperate with WSLCA members. The program offers Affiliate Members the opportunity to participate in the WSLCA's biannual conferences and to talk directly with other members on issues important to both. Applicants must be a corporation, non-profit entity, or an individual that has been recommended by a member state, approved by the WSLCA Executive Committee and paid at least one year of annual dues.

Affiliate Membership Objectives

- ✦ Enhance and extend WSLCA: our educational missions, institutional impacts, influence and positive public image
- ✦ Develop or strengthen relationships with organizations that complement our mission
- ✦ Share intellectual and social capital

Desired Outcomes

- ✦ Expand diversity of WSLCA members and audiences
- ✦ Enhance distribution of WSLCA outputs to new, relevant markets
- ✦ Augment opportunities to develop, share & evaluate information regarding land, water and other resource management policies and practices
- ✦ Help member states maximize the earnings and preserve the assets of educational trusts

Benefits

- ✦ Speaking opportunities at WSLCA conference
- ✦ Conference displays and recognition
- ✦ Membership recognition and links on the WSLCA website
- ✦ Dialog opportunities with other professionals on issues affecting us

Application

Those interested in establishing an affiliate relationship are encouraged to contact your state land commissioner, state land director or a member of the WSLCA executive committee. You can find a link to each state's website at www.wslca.org.

We continue to add affiliate members to our group and many have attended a conference already. We are pleased to have them join us and look forward to getting to know their business and learn how we can all work together to achieve our goals.

Welcome to our newest members!



2014 Affiliate Members

Anadarko
Alta Mesa Holdings, LP
American Petroleum Institute
Bank of Oklahoma Financial
ConocoPhillips
DRZ Investment Advisors
EnergyNet
Freeport-McMorRan
Hein & Associates
Holland & Hart
Land Advisors
National Mining Association
RioTinto
RVKuhns & Associates, Inc.
Sonoran Institute
Salt River Project
Trendwell Energy Corporation

Western States Land Commissioners Association

Winter Conference January 4-8, 2015 * Phoenix, Arizona



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Come Enjoy Winter in the Sonoran Desert with our Arizonan Hospitality

Conference Highlights:

- * Managing Coordination Among Partners
- * Development, Mitigation & Conservation
- * Navigability, 404's, ESA & Federal Regulations
- * North Phoenix and Scottsdale Education/Recreation Tour
- * Acclaimed Speakers Invited to Attend



Leisure and Attractions:

- * Grand Canyon and Sedona
- * Phoenix Zoo and Area Museums
- * World Class Golf Courses
- * Hike Camelback Mountain
- * Biltmore Fashion Park and Acclaimed Restaurants
- * Plus Much Much More

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WINTER CONFERENCE 2015
PHOENIX, ARIZONA



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AGENDA
As of July 22, 2014



Sunday, January 4, 2015

1:00 pm - 4:00 pm	Registration
3:00 pm - 5:00 pm	Executive Committee
5:30 pm - 6:30 pm	Cocktails / Lawn
6:30 pm - 8:30 pm	Reception (Pool Area)
8:00 pm - 11:00 pm	Hospitality

Monday, January 5, 2015

7:00 am - 8:30 am	Breakfast
8:30 am - 9:00 am	Welcome – Introductions Vanessa Hickman, Commissioner Arizona State Land Department
9:00 am - 11:15 am	Roll Call
<i>[10:30 am - 10:50 am - BREAK]</i>	
11:15 am - 11:45 am	Allen Freemyer
12:00 am - 1:15 pm	Lunch
1:30 pm - 3:00 pm	Laying the Groundwork for Coordination between State and Federal Partners: Understanding how Federal Law Can Work for You
<i>[3:00 pm - 3:20 pm - BREAK]</i>	
3:30 pm - 5:00 pm	Tools for Development: Mitigation and Conservation Banking
5:30 pm - 7:30 pm	Dinner
7:00 pm - 11:00 pm	Hospitality

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Tuesday, January 6, 2015

7:00 am - 8:30 am	Breakfast
8:30 am - 10:00 am	Committee Meetings
[10:00 am - 10:20 am - BREAK]	
10:20 am - 11:50 am	Committee Meetings
12:00 pm - 1:15 pm	Lunch
1:30 pm - 5:00 pm	Field Trip
6:00 pm →	Dinner on your own
6:00 pm - 11:00 pm	Hospitality

Wednesday, January 7, 2015

7:30 am - 9:00 am	Breakfast
9:00 am - 11:50 am	The Process: Regulatory Changes, Coordination, and ESA Impacts <ul style="list-style-type: none">○ What do you think developers need from government to streamline the permitting process?○ How can states minimize ESA listing impacts through science and collaborative planning?○ What statutory or regulatory changes are needed to increase efficiencies in the permitting process?○ Describe an internal process for coordination to aid in asserting the state's interest at the federal level.
[10:00 am - 10:20 am - BREAK]	
12:00 pm - 1:15 pm	Lunch
1:30 pm - 3:00 pm	Legal Issues <ul style="list-style-type: none">○ Using litigation for a purpose○ 404 permitting: State assumptions○ Navigability
3:30 pm - 5:00 pm	Business Meeting
5:30 pm - 7:00 pm	Dinner
7:00 pm - 11:00 pm	Hospitality

Thursday, January 8, 2015

7:00 am - 8:30 am	Breakfast
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