

Michael R. Brown, Chairman
Kevin S. Carter, Director

MINUTES OF THE MEETING OF THE
SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION
BOARD OF TRUSTEES

DATE: SEPTEMBER 9, 2010

PLACE: SALT LAKE CITY, UTAH

ATTENDING:

BOARD

Michael R. Brown
Dan Lofgren
Steve Ostler
Dave Ure
David Lambert
Louis Cononelos
Michael Mower

STAFF

Kevin S. Carter
LaVonne Garrison
Tom Faddies
Elise Erler
Kay Burton
Doug Buchi
Eric Baim
Jeff Roe
Kim Christy
NormaLee McMichael
Ron Carlson

OTHERS IN ATTENDANCE

Margaret Bird, State Office of Education
Paula Plant, State Office of Education
Tim Donaldson, State Office of Education
Tyler Slack, Utah PTA
Laurel Brown, State Board of Education
Charles Evans, University of Utah

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Chairman Brown welcomed Board members, Staff, and guests to the Board Meeting.

1. Welcome and Swearing in of New Board Member

Chairman Brown administered the oath of office to Mr. Louis Connelos and welcomed him as a member of the Board of Trustees.

2. Approval of Minutes

Ms. Bird noted she had some minor changes to the item of the discussion with the State Treasurer. With these changes, the Board approved the minutes of August 5, 2010.

Ure / Ostler. Motion approved.

“I move that we approve the minutes with the changes made as noted by Ms. Bird to Item 4(e)(I).”

Roll Call:

Mr. Lofgren - - yes	Mr. Ostler - - yes
Mr. Ure - - yes	Mr. Lambert - - yes
Mr. Connelos - - yes	Mr. Mower -- absent at vote
Mr. Brown - - yes	

3. Confirmation of Upcoming Meeting Dates

There was some discussion regarding the October meeting dates. It happens to be the same weekend as UEA, and some Board member cannot attend. After some discussion, it was decided to cancel the meeting and just have the field trip for Board members on October 13. Without motion, the Board confirmed the following upcoming meeting dates:

October 13 - - tour of Kane and Washington Counties
November 18 - - Salt Lake City
December - - No meeting

4. Chairman's Report

a. Efficiencies of Board Meeting Format

Chairman Brown discussed efficiencies of Board meeting with the Board members and Staff. He has several comments from Board members of things to do to be more efficient. Some things are still under advisement with a small group. He would just like to remind the members of the Board to be prepared for Board meetings, as this will be very helpful. If you have questions on specific issues, please call Staff and discuss it with them to help eliminate some discussion. He doesn't want to not have discussion from Staff that benefit all. The Board has collective wisdom on issues that we need to hear. He is still looking at ways to streamline things. They are looking at ways to have Staff streamline things also. It is good to look to members of the Board who have participated in committee meetings. He passed out a comment sheet that the Board can use to offer constructive feedback to Director Carter and the Chairman on different aspects of each Board meeting and how we can improve the meetings. He asked Board members to please supply their names on the comment sheets in case they have questions. We will see how this works. If it works well, we will continue to do it at other Board meetings.

It was noted we have Staff monitoring this meeting from their desks and computers. Director Carter noted we had discussed having staff attend meetings. It is a balancing act, and Staff feels that much of the discussion is very worthwhile even if it is not just their expertise. There probably will be many senior management Staff in meetings. Other people on the Staff are listening through their work stations. At one time we actually web cast the meeting to experiment with it. It had very mixed results. Mostly, the hesitation to continue it came from Board members.

Some of the other things that we have discussed dealt with focusing on improving the presentations that are made, making sure that it is clear up front what we want the Board to do and then stating what the issues are. Staff will rely on the Board to have read the material and ask questions.

4. Chairman's Report (cont'd)

b. Beneficiary Report

Ms. Bird asked that this discussion be held in closed session due to the potential of litigation. At this point, the Board went into closed session.

Lofgren / Ure. Unanimously approved.

“I move we go into closed session for the purpose of discussing imminent litigation.”

Roll Call:

Mr. Lofgren - - yes	Mr. Ostler - - yes
Mr. Ure - - yes	Mr. Lambert - - yes
Mr. Cononelos - - yes	Mr. Mower -- yes
Mr. Brown - - yes	

The Board went into closed session at 9:28 a.m. Those in attendance were Board members, Kevin Carter, Kim Christy, John Andrews, Laurel Brown, Cory Holdaway, Doug Buchi, LaVonne Garrison, Elise Erler, Tim Donaldson, Paula Plant, NormaLee McMichael, Tyler Slack, and Lynda Belnap.

The Board returned to open session at 10:32 a.m.

Ure / Cononelos. Unanimously approved.

“I move we return to open session.”

Roll Call:

Mr. Lofgren - - yes	Mr. Ostler - - yes
Mr. Ure - - yes	Mr. Lambert - - yes
Mr. Cononelos - - yes	Mr. Mower -- yes
Mr. Brown - - yes	

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4. Chairman's Report (cont'd)

b. Beneficiary Report (cont'd)

Chairman Brown suggested that the Board form a committee to look at the hunter access issue. He asked Mr. Ure to chair the committee and asked that Mr. Mower, Mr. Christy, and a beneficiary representative be on the committee. He would like to participate with a meeting with Director Styler and even some meetings of the committee, but he will not chair it.

Lofgren / Ostler. Unanimously approved.

“I move that we put together this committee.”

Roll Call:

Mr. Lofgren - - yes	Mr. Ostler - - yes
Mr. Ure - - yes	Mr. Lambert - - yes
Mr. Connelos - - yes	Mr. Mower -- yes
Mr. Brown - - yes	

Director Carter updated the Board on the condition of Dave Hebertson, who has recently had surgery. The Board sends Mr. Hebertson their prayers and concerns.

c. Consideration/Approval of FY 2010 Budget and FY 2011 Supplemental Budget

Director Carter stated there have been some modifications in the budget since information was sent to the Board prior to this meeting. He explained the budget through a power-point presentation as follows:

- * FY 2011 Supplemental
 - * Data processing - \$135,000

- * FY 2010 One-Time requests
 - * Director's Office - Land Exchanges: \$300,000
 - * Surface - ROW Project: \$ 46,300
 - * Data processing - year two: \$305,000

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4. Chairman's Report (cont'd)

c. Consider/Approval- FY 2010 Budget & FY 2011 Supplemental Budget (cont'd)

*	Budget Reductions - Ongoing:		\$312,520
*	Development	\$149,310	
*	Surface	\$ 97,020	
*	Mineral	\$ 16,190	
*	Legal	\$ 50,000	
*	Capital		
*		\$8,450,000 + \$350,000	

Director Carter noted that, other than some one-time funding and some decreases, our base budget is about the same as last year. We feel we can fulfill the obligations we have with these decreases and show recognition that our revenues are down and our budget should be down. We did have some savings in our cultural resources program, and that was shared among the groups.

Mr. Ure asked about the increase in the Director's budget. It was noted the land exchange dollars are in this budget. It was suggested that we have a line separate from the Director's budget for land exchange funds.

Ms. Bird noted that on Dollars Spent vs. Dollars Earned, forestry is only earning about 91 cents per dollar spent. We have \$307,470 budgeted for forestry. That is about a 40 percent increase from last year. The beneficiaries are watching this; and, when we get to the end of the fiscal year, they expect the return to be higher. Mr. Lofgren asked if the forestry program is benefitting other groups, etc. Director Carter stated the people in that group have done other things to help other groups. However, it is a valid question. This is the first time we have had a program that doesn't earn more than it spends. Mr. Lofgren asked that, if we didn't have it, would it impact other groups? Director Carter stated it would, but not as much as we would save. We are watching it carefully.

Mr. Connelos noted the cost-benefit analysis was the most beneficial information he received in his orientation. Ms. Schneider will send this to the entire Board every month.

4. Chairman's Report (cont'd)

c. Consider/Approval- FY 2010 Budget & FY 2011 Supplemental Budget (cont'd)

Mower / Ostler. Unanimously approved.

“I move that we approve the budget as presented.”

Roll Call:

Mr. Lofgren -- yes	Mr. Ostler -- yes
Mr. Ure -- yes	Mr. Lambert -- yes
Mr. Cononelos -- yes	Mr. Mower -- yes
Mr. Brown -- yes	

d. Proposed Draft SITLA Planning & Development Policy

Mr. Lofgren noted this policy was given out last month with an invitation to get comments to him if Board, Staff, and beneficiaries had any. He stated we should understand what has caused this policy to be written. The Real Estate Committee started discussing this a few months ago. Planning and Development agreed with it. The formulation of the policy coincided with a conversation we had with the State Treasurer regarding the discussion of trust assets.

The policy reflects the position we took with the Treasurer and also where we were headed before that time. Mr. Lofgren suggested one change in the policy. In the next-to-last paragraph, Page 2 of the policy, second line, it is suggested that the words “without incurring” be taken out and the words “while mitigating and minimizing” added.

Mr. Buchi noted he appreciated the committee's input on this. Where Staff's focus should be has been a concern for sometime. There was much emphasis when the group was created about doing ground leases, etc. There needs to be compelling reason why we would do those types of leases for the most part. Our ultimate trust fiduciary responsibility is to work ourselves out of a job with the lands fully liquidated and the money put into the Permanent Fund. Even on a reoccurring income transaction, the intent is to monetize it for sale so that asset will no longer be in the portfolio. The question is not if all the development land is put into the Permanent Fund, but when. It will be decades before this will happen, however. Having this policy in place will provide some meaningful direction to what we are trying to do inside that group. This is specific to the Planning and Development Group. This is to provide some good, solid guidelines for this group going forward.

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4. Chairman's Report (cont'd)

d. Proposed Draft SITLA Planning & Development Policy (cont'd)

Mr. Lofgren stated the committee has reviewed this policy again, and it seems to hold up to what we should be doing. Chairman Brown stated he discussed with Mr. Lofgren whether this puts us at odds with the State Treasurer regarding investment of funds. Mr. Lofgren stated this policy is to draw the lines of what we should be doing. He noted he and John Andrews met with the Treasurer a month ago, and this is the position the Treasurer has espoused. Mr. Andrews stated he doesn't think this conflicts at all with what the Treasurer had said.

Ms. Bird noted that, in the third paragraph, it states costs will be assessed on a basis including the time value of the improvement expenditures. Are we tracking these expenditures to each project? Mr. Buchi stated we are tracking those. Mr. Lofgren stated that, at the time the expenditure is made, we will contemplate the time value of what this will do to the value of the land if it is opened up for development. It is prudent to keep track of the expenditures on projects, however.

Ms. Bird stated that, given the fact that the budget was just approved, do we know what the \$8 million capital money will go for and do we have any time value on this? Mr. Lofgren stated we have in the Planning and Development budget these capital costs. Ms. Bird stated she thinks it is helpful right now to see what those numbers are and what the time value of those numbers will be. She doesn't know what these are for. Mr. Buchi stated he is happy to provide the information to Ms. Bird, and he reviewed with the Board how this money will be spent. He noted Staff feels it is important to keep this amount available to the agency to be able to take advantage of what happens in the market. Flexibility is very important. There is a need to come up with a budget that anticipates the best way to allocate those dollars. Water is a big thing to this group, and much of this is for water (\$4.5 million).

Director Carter noted that we are presenting a budget that we will start spending next July and finish June 2012. Mr. Lofgren noted spending of this capital money will continue to be spent with Board approval as in the past. Mr. Buchi noted that the flexibility in these capital monies allowed us to purchase Coral Canyon when it became available. However, just because we have the money doesn't mean we should spend it just to spend it. He has been trying to encourage, without rigidly enforcing it, and getting project managers to show him where the money spent can be recovered. Mr. Lofgren stated that the expenditures continue to be made on a project-by-project basis.

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4. Chairman’s Report (cont’d)

d. Proposed Draft SITLA Planning & Development Policy (cont’d)

The policy, with amendments, is as follows:

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

New Policy Amends Policy No. _____ Repeals Policy No. _____

Policy No. 2010-03

Subject: Planning & Development
Group Development Policy

The Board of Trustees of the School and Institutional Trust Lands Administration met in open, public session on September 9, 2010, and by majority vote declared the following to be an official policy of the Board:

All of the activities of the Planning and Development Group (P&DG) are rationalized only by the “transaction”, defined as the monetization of land assets.

From time to time, it is prudent, even at times compelling, for the purposes of staging a property for sale and/or expanding a market for a property that certain improvements are undertaken for a parcel or even a “block” of land; i.e., access and infrastructure improvements that make a residential parcel marketable to developers/builders who otherwise would not have access on an individual basis to the capital needed to bring a larger parcel of raw lands to the market as residential lots. Such an improvement plan is undertaken only on the basis of a reasonable assurance as determined by the Board of Trustees that such improvements will create significantly higher land values (after recovering the cost of the improvements) than would have been realized without the improvements.

It may be the case that similar or related improvements on adjoining parcels or publically funded road and infrastructure work that creates an opportunity of piggy-backing a large project at significant cost savings will make it expedient and prudent to complete improvements as described herein well ahead, even years ahead, of the anticipated marketing of a parcel. In such a circumstance, the value added by proposed improvement costs will be assessed on a basis including the time value of the improvement expenditures.

4. Chairman's Report (cont'd)

d. Proposed Draft SITLA Planning & Development Policy (cont'd)

For these same reasons, other expenditures which are necessary to protect the value and ensure the marketability of land assets may be approved on a case-by-case basis by the Board of Trustees.

The P&DG is not engaged in speculative development and will not undertake any improvements which create a risk of substantial loss due to market conditions and timing of the sale of an asset.

The only rationalization for any improvement expenditure is to ensure the highest value possible be derived from the sale of land assets while mitigating and minimizing market risk, thereby delivering to the permanent fund the maximum proceeds that can be reasonably derived from each sale under this policy.

The Board of Trustees acknowledges the unique nature of every land sale transaction and will review each proposed plan for proposed development expenditures on the basis of the unique attributes of the subject parcel and the prevailing conditions of the market.

Ostler / Ure. Unanimously approved.

“I move that we approve this policy as amended.”

Roll Call:

Mr. Lofgren - - yes	Mr. Ostler - - yes
Mr. Ure - - yes	Mr. Lambert - - yes
Mr. Connelos - - yes	Mr. Mower -- yes
Mr. Brown - - yes	

5. Director's Report

a. Director's Update on Issues

Mr. Andrews gave a status report on the land exchange. We are continuing to have problems with navigating the BLM bureaucracy with the Recreation Land Exchange. We are still working with them to get the final action plan completed. They are struggling to get funding to the state office that hires appraisers, etc. The only good news is the BLM Solicitor has determined they won't do any more plan amendments moving forward to closing the exchange.

We are devoting time to the Piute County land exchange. The Board passed a policy a few months ago regarding inheld lands in land exchanges. We are pushing forward on this policy in this county land bill. We are also working with the Western States Land Commissioners Association to develop the idea that would allow the states the right to select additional federal lands with considerably less discretion on the part of BLM. We will continue to work on this.

b. Consideration/Approval of FY 11 Objectives

Staff members reviewed Group FY 11 objectives as follows:

Governmental Affairs - - Director Carter

Director Carter reviewed the Governmental Affairs plan with the Board and gave them a handout showing the changes to the SWOT analyses and action plan.

- * Governmental Affairs - State
 - * Develop public relations message touting how our investments provide jobs, etc.
 - * Visit five editorial boards and present message.
 - * Nurture our interface with the Governor's Office of Economic Development.
 - * Demonstrate success in pursuing "sovereignty" issues with CDC to prevent legislative actions unfavorable to Trust revenue streams.
 - * Engage the State Treasurer in discussions to clarify respective roles and opportunities.

5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

- * Governmental Affairs - Local
 - * Visit 15 counties and present "TLA 101" material to newly elected officials.
 - * Engage with supportive lawmakers to prevent "split estate" legislation that will adversely impact mineral development on trust lands.
 - * Pursue recovery of LEDA funds to assist local governments impacted by trust land activities.
 - * Present a fiscal year-end report to counties on the revenues distributed to them pursuant to HB 134.

Land Tenure - - John Andrews

- * Our principal objective is to advance the in-lieu legislation. We hope to have draft legislation by the end of the year and a resolution of WSLCA in January.
- * Continue our in-put in many county land bill discussions to ensure trust lands are not captured
- * Take specific actions with respect to forestall the listing of sage grouse as a threatened and endangered species. We will intervene in the Idaho litigation and engage with the FWS on a possibility of an agreement on this issue.
- * Try to get the Recreational Land Exchange through the NEPA process and the commencement with appraisals by the end of the year.

Legal - - John Andrews

- * Work with the Surface Group in managing our environmental compliance program regarding the risk analysis of leases and move forward with a comprehensive assessment of our bonding program.
- * Follow-up with work force within the agency and engage with a client survey of operating groups who are the legal group's clients to make sure we are serving their needs.
- * Begin a full review of the agency's rules on some of the management issues that we have to do to keep the agency running; i.e., records management, etc. The state's e-mail system is clearly non-compliant.

5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

Planning and Development - - Doug Buchi

Mr. Buchi gave the Board a handout on the strategy to face multiple challenges as it strives to achieve its objective to maximize the value of trust lands that fall under its jurisdiction and presented information in the form of a "WOT" analysis (Weaknesses, Opportunities, and Threats). The FY 2011 Action plan is:

- * Analyze every designated development parcel and recast all continuing and future development opportunities that have the greatest likelihood of generating revenues during the next 10 years. Review all designated development parcels annually to adjust our rolling 10-year projection.
- * Assess TLA's land position in Washington County by completing market matrix showing all land inventories to determine total existing approved lots and potential lot for future approval.
- * SunCor/Coral Canyon Workout
 - * Short-term marketing plan to monetize 172 finished lots
 - * Long-term development plan for balance of 280 acres of residential parcels and 185 acres of commercial parcels.
- * Hidden Valley/Ivory Southern Workout
- * Break open parcel 3 or 4 in Sienna Hills
- * Complete master planning for Tonaquint block
- * Recast and improve capital expenditure and revenue projections based on realistic market and timing assumptions for all projects. Focus on aligning capital expenditures with anticipated revenues from projects in which capital expenditures are made.
- * Finalize "mini-block" plans on all designated development parcels. Identify and make recommendations to the Director to reclassify certain currently designated development parcels having development thresholds so far into the future that it makes no sense to keep them classified as development parcels.

Mr. Buchi noted that Staff can do very good planning in this area, but the market is going to dictate what really happens.

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5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

Oil and Gas - - LaVonne Garrison

- * Review and evaluate OBA applications on the Oak City Block and select a block for similar process in 2011.
- * Prepare a map of the federal leased/unleased OG acreage in the eastern half of Utah together with a preliminary recommendation for federal lands that the agency wants to acquire.
- * Review OG statewide land position and prepare a map and spreadsheet of all trust lands located within WSA areas which are likely to become wilderness.
- * Continue to work with the Division of Oil, Gas and Mining and with industry on the introduction of a mineral literacy program into state's public school system.
- * Continue working on existing gas storage and CO2 projects and pursue new gas storage and CO2 sequestration projects to locate on trust lands.

Ms. Garrison noted that the SWOT's have not changed much, but the Board was given a copy of them.

Minerals - - Tom Faddies

General:

- * Achieve FY 2011 revenue and budget goals
- * Maintain pipeline tracking system
- * Update and improve electronic library
- * Review and update succession plan
- * Continue to pursue high-level proactive issuance of leases and permits utilizing the OBA and competitive-leasing processes
- * Provide technical support for the Recreational Exchange

Coal:

- * Facilitate the processing of the Cottonwood Tract.
- * Facilitate the reversion of the Mill Fork Tract to federal ownership.
- * Pursue leasing of the North Horn, Freemont Junction, Williams Draw and Dugout-Soldier Canyon NW coal tracts.
- * Complete technical report on the south-central portion of the Emery Coal Field.

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5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

Other Minerals:

- * Submit drafts of uranium and potash tactical plans.
- * Complete drafts of previous/base metals and asphaltic sands tactical plans.
- * Attempt to market the base, speciality, and precious metals opportunities on trust lands in the Detroit District, Blawn Mountain Al and Mo, and Beaver County Cu targets.

Material Permits:

- * Complete and submit tactical plan for sand and gravel.

Public Relations - - Dave Hebertson (presented by Kevin Carter)

- * Continue current baseline activity objectives as previously developed:
 - * Speakers Bureau - - contact Chambers of Commerce, service organizations (i.e., Rotary Clubs), local governments, professional organizations, and school community councils for the opportunity to present TLA 101 or other related topics that may be requested.
 - * Media contacts - - maintain an average of 10 media contacts per month.
 - * Add comparative land-management and ownership information (who owns what in Utah) to agency Internet statistics.
 - * 50 photos - continue to build high-quality agency photo library to use in publications.
 - * Complete new SITLA video.
- * Additional new baseline activities for FY 2011:
 - * Update PR SWOT analysis originally produced in FY 2009 at the start of the five-year plan. This will re-evaluate current strengths, weaknesses, opportunities, and threats within the public relations group.
 - * Develop and implement a process that:
 - * Identifies potential PR problems before they become a negative public issue.
 - * Create key messages relative to those issues.
 - * Publish key messages to media and stakeholders in advance of mass media

5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

- * Create and implement a social media strategy for greater reach of agency news and messages to communicate to key audiences - - the legislature, journalists, beneficiaries, and various stakeholders. This project will utilize new digital communications channels and devices:
 - * Twitter, Facebook, YouTube, and blog accounts
 - * Create a new online newsroom that utilizes, but goes beyond our traditional website, including:
 - * News releases
 - * Multimedia
 - * Press Kits
 - * RSS feeds and social media links
 - * Video postings

Surface - - Kim Christy

Mr. Christy gave the Board a handout of excerpts from the Surface five-year plan. He discussed with them minor changes in the SWOT analysis and discussed the FY 2011 Action plan:

- * Complete rewrite of Rule R850-60. Cultural Resources.
- * Hire a resource specialist with expertise in alternative energy projects. Note: this objective will not be pursued. Given the current state of the economy, this workload has not increased nearly as much as anticipated. Therefore, assignments within the Surface Group were realigned to absorb this added workload with existing resources and staff.
- * Work with five additional counties to identify valid existing rights attributed to RS 2477 road claims and perfect easements where appropriate and where data is available from PLPCO.
- * Monitor compliance of DWR/STILA Hunter Access MOU.
- * Develop a plan to protect, as much as possible, TLA forest resources at risk from wildfire. This may include agreements with other agencies to designate "let-burn areas".
- * Complete the "Lee Kay" Exchange with DWR provided that an analysis of the Lee Kay property shows an economic benefit to the trust beneficiaries.
- * Based on the evaluation of zoning and infrastructure of potential commercial properties identified and examined in FY 09 and FY 10, determine whether additional work in these areas is economically feasible.
- * Initiate three-year implementation of the 2010 LaSal Mountains OHV Pilot Project Plan.
- * Continue to protect and acquire water rights as necessary and feasible.

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5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

Information Technology - - Jeff Roe

FY 2011 Action Plan:

- * Support Current Primary Systems
 - * LMBS (Business System) - - bugs and enhancements, BSUG meeting
 - * Bug tracking system
 - * Archaeology system - ties to state Archives/Archaeology
 - * GIS System - - GIS/Title problems committee, enhance platting system
 - * Other Systems - - Adobe, Novell, GroupWise, Backups (Veritas on LTO tape technology)
 - * Wireless and Remote Access systems - increasing technology requirement
- * Procurement Process - - continue with replacement cycle.
- * Initiate LMBS Rewrite (Business System 2.0)
 - * Complete Document Management portion of the project
 - * Evaluate image/document management needs to vendor selection
 - * Procure and establish hosting environment for document management system.
 - * Training and implementation of document management system
 - * Initiate LMBS Rewrite part of the project
 - * Evaluate development platform (Java) and service opportunities with DTS
 - * Training on development platform
 - * Initiate coding
 - * Linux migration of current Sybase database to DTS-hosted server

Audit Group - - Ron Carlson

FY 2011 Objectives

- * Follow approved audit schedule
- * Support business system and web development
- * Refine practices, integrate and disseminate to Staff
- * On-going training in contract valuation basis
- * Increase use of agency systems for internal analysis
- * Improve Board interaction

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5. Director's Report (cont'd)

b. Consideration/Approval of FY 11 Objectives (cont'd)

Finance - - Lisa Schneider

FY 2011 Objectives

- * Identify areas in the current Business System that need to be revised during the rewrite as well as work with other groups to ensure accounting scenarios are reflected properly in the system.
- * Implement the web portal for accepting payments. This will begin on July 1, 2010, and will require the development of a way to monitor the payments as well as properly account for the fee collection and proper crediting of those fees to agency expenses.
- * Delay the Business System training for the staff until the completion of the system rewrite. The focus in FY 2011 should be on user needs.
- * Develop an accounting template that will serve as a summary sheet for instructions on how to properly account for the various transactions that are processed by the agency.

Chairman Brown thanked the Staff for their efforts on these issues.

Ostler / Lambert. Unanimously approved.

“I move that we approve the FY 2011 objectives as presented.”

Roll Call:

Mr. Lofgren - - yes	Mr. Ostler - - yes
Mr. Ure - - yes	Mr. Lambert - - yes
Mr. Connelos - - yes	Mr. Mower -- yes
Mr. Brown - - yes	

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6. Consent Calendar

- a. Other Business Arrangement - - Relinquishment of ML 45716 and Approval of ML 51870-OBA - - Humic Shale - - Emery County, Utah

There were no comments on this item, so it is approved.

- b. Other Business Arrangement - - Thunderbird Energy, Inc - - Carbon County, UT

Action on this item was deferred until a later meeting.

7. Director's Performance Review and Evaluation

The Board went into closed session to discuss this item.

Mower/ Ure. Unanimously approved.

“I move that we go into closed session for the discussion of the character and competence of an individual.”

Roll Call:

Mr. Lofgren - - yes Mr. Ostler - - yes
Mr. Ure - - yes Mr. Lambert - - yes
Mr. Connelos - - yes Mr. Mower -- yes
Mr. Brown - - yes

The Board went into closed session at 12:41 p.m. Those in attendance were Board members and Director Carter. Director Carter returned to open session at 1:40 p.m. The Board returned to open session at 1:49 p.m.

Lofgren / Lambert. Unanimously approved.

“I move we return to open session.”

Roll Call:

Mr. Lofgren - - yes Mr. Ostler - - yes
Mr. Ure - - yes Mr. Lambert - - yes
Mr. Connelos - - yes Mr. Mower -- yes
Mr. Brown - - yes

Upon motion by Mr. Ostler, the Board adjourned at 1:50 p.m.