

# State Lands and Investments

## Mission and philosophy

To provide timely, accurate and cost effective service to the Board of Land Commissioners, the State Loan and Investment Board, policymakers and the citizens of Wyoming to facilitate wise and reasonable analytical decision making that will maximize the State's assets and resources in accordance with mandated authorities.

The philosophy of the Office of State Lands and Investments is to accomplish this mission through a commitment to fairness, integrity and accountability as we manage surface, mineral and forest resource issues under the jurisdiction of the Board of Land Commissioners in a timely manner to enhance trust land values for the State's beneficiaries; augment the financial management of State investments through investment policy analysis and implementation of legislatively directed investment programs under the jurisdiction of the State Loan and Investment Board; provide grants, loans and technical assistance to strengthen community and rural infrastructures; encourage public participation in our actions and decisions; use technology to increase efficiency and accuracy; and Use the expertise of our staff and provide a work environment in which they can grow professionally.

## Strategic plan changes

There are no significant changes.

### General information

Lynne Boomgaarden, Director

### Agency contact

Susan Child  
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### Other locations

Lander, Newcastle, Buffalo, Riverton, Lyman, Casper, Douglas

### Years established and reorganized

Established 1890; reorganized in 1921, 1992 and 1998

### Statutory references

W.S. 36-1-101 through 36-3-111; W.S. 36-5-101 through 36-7-510; W.S. 36-9-101 through 36-9-120; W.S. 11-34-101 through 11-34-305

### Authorized personnel

98 full-time

### Organizational structure

Office of the Director and four divisions: Financial Programs and Management Services, Real Estate Management and Farm Loans, Mineral Leasing and Royalty Compliance, State Forestry

### Clients served

Agriculture, mineral, timber, transportation/communication/public utility, recreation/tourism and other Wyoming industries; local government entities; state and federal agencies; school districts; resident and non-resident general public

### Budget information

(Appropriated funds only)

General funds .....	\$5,920,912
Federal funds.....	4,202,368
Other .....	703,914
<b>Total .....</b>	<b>\$10,827,194</b>

## Financial Programs & Management Services Division and Office of Director

### General information

Jeanne Norman, Assistant Director

### Agency contact

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### Year established

1984

Joint Powers Act Program, 1974; Mineral Royalty Grant Program, 1977; Clean Water State Revolving Fund, 1990; Drinking Water State Revolving Fund, 1998; Transportation Enterprise Fund Grant Program, 1999

### Statutory references

W.S. 9-4-307; W.S. 9-4-601 through 9-4-604; W.S. 9-4-606, W.S. 9-4-607, W.S. 9-4-709, W.S. 9-4-1001, W.S. 9-4-1002, W.S. 11-34-301 through 11-34-303, W.S. 16-1-109, W.S. 21-15-106, W.S. 27-14-704, W.S. 16-1-301, W.S. 16-1-201

### Authorized personnel

20 full-time

### Organizational structure

Financial Programs and Management Services:  
Assistant Director; Accounting Section; Information Technology Section; Investment Management Section; Government Grants and Loans Section

Office of the Director: Director, Deputy Director, Executive Assistant, Attorney

### Clients served

Office of Director, agency personnel, state agencies; federal agencies; local governments; vendors; loan recipients; school districts; & general public.

## Results of outcomes

To maximize the return on the investment of state funds the Board measures its investments against market, established indices or benchmarks. The Board is required to review and evaluate the policy at least annually and each year the Board reviews changes and updates. The policy statement was updated and significant changes made and approved at the December 4, 2003 Board meeting, the annual compliance audit was reviewed by the Board on August 9,

2003 and investment performance was reported and reviewed by the Board for quarters ending September 30, 2003, December 31, 2003, March 31, 2004 and June 30, 2004 by R. V. Kuhns, its investment manager. With respect to capital facility bonds, there were no new bonds issued this year.

This division transmitted all revenue collected by the agency and distributed to various permanent land income funds, land income funds and the general fund which totaled \$92,987,476. Of this amount, \$84,852,145 was distributed revenue from the 4.2 million acres of state-owned mineral estate and \$7,958,587 was distributed revenue from the 3.6 million acres of state-owned surface estate. In addition, this division serviced Joint Powers Act loan accounts and processed loan repayments totaling \$3,175,112 this year and processed payments totaling \$31,171,672 from farm, irrigation and ASC contracts.

This division also facilitates the Board's processes to provide financial assistance to incorporated communities, counties, school districts, special governmental entities and eligible private enterprises to maximize the use of state's resources to benefit the citizens of Wyoming. The division processed 136 Mineral Royalty Grant applications, 76 of which were approved for funding totaling \$15,529,827, and five Joint Powers Act Loan applications totaling \$783,216 were processed and approved. In addition, the division coordinated one Abandoned Mine Land Grant applications totaling \$2,000,000 and processed 39 Transportation Enterprise Fund Grant applications, of which 19 were funded totaling \$680,410. There were no Aeronautics Joint Powers Act Loans this year.

This year, eight Clean Water State Revolving Fund (CWSRF) loan applications were reviewed, processed and presented to the Board totaling \$52,576,375. One hundred percent of the applications received were from communities for improvements to or construction of wastewater treatment facilities. Loan servicing was provided to 50 CWSRF loans including disbursing \$10,350,394 to communities and \$12,471,579 to the Department of Environmental Quality (DEQ) for the cleanup of leaking underground storage tanks. A total of \$13,064,167 in loan repayments was processed in the CWSRF. Also during this period twelve new loan applications were reviewed, processed and presented to the Board for loans totaling \$11,522,780 from the Drinking Water State Revolving Fund (DWSRF). One hundred percent of the loan applications received were from communities to fund improvements to or construction of water treatment facilities. Loan servicing was provided for 39 DWSRF loans, including disbursing \$9,516,501 in loan funds to communities and receiving \$7,165,230 in loan repayments.

This year one application from the Department of Family Services was presented to the Board for a grant from the Omnibus Land Income Fund, which was approved for \$522,040. The Board also approved three applications for School District Bond Guarantees in the amount of \$8,680,000.

## Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

## Real Estate Management & Farm Loan Division

### General information

James M. Whalen, Assistant Director

### Agency contact

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122 West 25th Street  
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### Other locations

Lander District Office

### Year established

Real Estate Management, 1890; Farm Loan Program, 1921; Irrigation Loan Program, 1955; Beginning Agricultural Producers Loan Program, 2002; Replacement of Breeding Livestock Program, 2003

### Statutory references

W.S. 11-5-101 through 11-5-119; W.S. 11-34-101 through 11-34-130; W.S. 11-34-301 through 11-34-303; W.S. 36-5-101 through 36-5-117, W.S. 36-9-101 through 36-9-120

### Authorized personnel

17 full-time

### Organizational structure

Assistant Director; Real Estate Management; Farm Loan Section; Lander Field Office, Land Inventory Section

### Clients served

Wyoming residents including farmers, ranchers, school children, governmental agencies, businesses, real estate developers, utility companies, mineral industry

## Results of outcomes

It is the division's responsibility to provide income/revenue for the Land Income Fund and Permanent Land Fund. By leasing land for multiple purposes, the division derived \$4,657,892 from grazing, agricultural and special use leasing programs, \$497,439 from temporary use permits issued, and \$1,154,081 from surface impact payments.

Issuance of grants of easement on state land also generated an additional \$874,775 and land sales generated \$425,166. The division processed 258 grazing lease renewal applications, 22 special use lease applications, 163 assignments, 190 sublease agreements, 42 improvement applications, 622 surface impact payments, 144 temporary use permits, and 164 easements applications.

Development of current lease rates and permit fees requires an annual update of the grazing and agricultural fee formula. Through research provided by the Agricultural Statistics Service, new figures regarding parity ratio and private land lease rates are inserted into the formula and a new AUM (animal unit month) rate established. The AUM rate for the 2004 grazing lease renewals was \$4.13. Verification of land type and conditions was accomplished this year in conjunction with placement of signs on all readily identifiable state land in accordance with W.S. 36-1-120 which was adopted by the 2003 Legislature. The appraisal staff inspected and posted more than 96 tracts of state land. In addition to the inspection and posting of 96 tracts of state land, approximately 35 inspections and appraisals were performed to determine market lease rates for commercial, industrial, residential, recreational and other uses.

In addition to its state trust land obligations, the division is responsible for maximizing the use of the Farm Loan Fund to benefit Wyoming citizens. Recent Legislation authorized two new farm loan programs, the Beginning Agricultural Producers Loan Program and the Breeding Livestock Loan Program. Beginning Agricultural Producer loans are intended to assist beginning farmers and ranchers in establishing a production agricultural business. The Breeding Livestock Program allows for the purchase of breeding livestock when the Governor has declared that drought conditions have existed in individual counties for not less than two immediate preceding years and if the Governor declares that the conditions have abated. The interest rates for both farm and irrigation loans remained the same. During the fiscal year eight Beginning Agricultural loan applications were received. There were seven Beginning Agricultural loans, one farm loan and one irrigation loan closed during FY-04.

## Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

## Mineral Leasing and Royalty Compliance Division

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### General information

Harold D. Kemp, Assistant Director

### Agency contact

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### Year established and reorganized

Established 1890; Reorganized 1985

### Statutory references

W.S. Title 36, Chapters 1,2,3,5 and 6 and W.S. 11-34-120

### Authorized personnel

17 full-time

### Organizational structure

Divisional Assistant Director, Royalty Compliance Section, Electronic Mineral Accounting Section, Mineral Leasing Section

### Clients served

State residents, oil, gas & solid mineral industries, school and institutional funds, public and private industry.

## Results of outcomes

The Mineral Leasing and Royalty Compliance Division was in the throes of a complete electronic accounting system platform change from an in-house system to a new web-based, customer inter-active system using a web front end and a Windows operating system driven back end. The complexity of the writing, programming, implementing, testing and placing into production of this type system consumed all time normally devoted to audit review type activities. However, in populating data tables and fields within the system, a thorough review was performed related to reporter and payer company references, leases and properties held and handled by each, unit and communitized area tract allocations, well counts on State lands and potential interest due on unpaid or unreported royalties. There was not a capture of data corrected or added per se; however, the "history file" for all such activity leaves an audit trail of the work performed in bringing this system to fruition with appropriate accounting checks and input. At this writing, portions of the system were still in test mode and being reviewed prior to acceptance from the contractor.

To maximize the existing state-owned mineral estate under lease for prospecting and development of multiple mineral commodities, the division's on-going aggressive approach in a three tier fashion for mineral leasing resulted in 439 oil and gas lease issuances through holding three oil and gas competitive lease auctions, and another 51 leases issued over the counter after two attempts to market at auction.

In an endeavor to closely adhere to sub-surface resource development and administrative cost containment for both the agency and the lessees, while avoiding unnecessary waste in compliance with State oil and gas statutes, the division avoided the costs to both the state and industry related to Reclamation issues surrounding off-channel reservoir placement for CBM water containment on State lands by requiring additional bonding of \$511,072.00.

Royalties collected for the FY total \$ 57,611,073.

## Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

## Forestry Division

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### General information

Bill Crapser, State Forester

### Agency contact

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### Other locations

Buffalo, Casper, Douglas, Lyman, Newcastle, Pinedale, Riverton

### Year established

1952

### Statutory references

W.S. 8-4-102, 36-1-112, 36-1-401 through 404, 36-2-1080, 36-3-109

### Authorized personnel

44 full-time

### Organizational structure

Fire Management, Forest Management, Wyoming Conservation Camp Program

Clients served

Forest, ranching and agriculture landowners, rural wild-fire organizations, communities, counties and local governments, other state agencies, forestry and associated industry.

## Results of outcomes

To manage forested state trust lands on a sustainable basis and maximize the long-term return to the trust, all forested trust lands are managed according to written prescription on a sustainable basis within identified forest product areas. Seven parcels of forested trust lands were inventoried and a management plan was prepared for 575 acres. Pre-commercial thinning was completed on 414 acres while 1021 acres were treated commercially generating \$240,942 of income. To maintain a forested trust land base within identified forest product market areas, the Division identified 200 commercially forested parcels with legal access to the Land Board and its assignees. No land exchanges were finalized this year, however, efforts continue on a proposed land exchange with the Forest Service that would develop two blocks of forested state lands in exchange for all scattered parcels within the boundary of the Snowy Range and Sierra Madre portion of the Medicine Bow National Forest.

To provide Wyoming's rural lands and communities with well-trained and equipped fire prevention, mitigation and suppression resources, 2774 City, Rural, State and Federal firefighters were trained to Wyoming and National Wildfire Coordinating Group standards in 146 separate training sessions.

Financial assistance was provided to Wyoming counties and rural fire departments through the State Fire Assistance Program, Volunteer Fire Assistance Program and Mineral Royalty Grant Program and appropriated funds. Forty-six applications were received for federal grants under the Volunteer Fire Assistance Program and 45 were funded for a total of \$145,000. Recommendations were provided for 24 mineral royalty grant applications for fire apparatus and stations. 17 of the applications, for a total of \$2.2 million dollars, were approved by the Farm Loan Board. Twenty-three applications were received for \$278,235 of State Fire Assistance federal grant funds and \$185,000 of State appropriated funds was passed through to the 23 Wyoming counties for fire preparedness, training and maintenance.

The Division also provided assistance to local communities in the implementation of the National Fire Plan (NFP) and 9 NFP grants were funded totaling \$557,140. Four hundred thirty six acres of fuel treatment and 125 defensible space projects were completed, assistance was given to 37 NFP communities and fire hazard assessments were completed on 720 dwellings. Sixty four fire prevention projects included public service announcements, meetings with groups to explain the NFP, mass mailings of educational materials on defensible spaces and homeowner

actions to reduce fire susceptibility.

In order to maintain the values that Wyoming landowners, communities and state agencies identify with well-managed forests and trees in Wyoming, the Division continues to actively pursue practices to achieve those ideals. A total of 313 forest stewardship plans covering 14,821 acres were prepared. The Forest Land Enhancement Program was initiated in the state during FY 04. The following projects were approved for funding under FLEP during this period:

- 18 Agroforestry projects – 38,843 lineal ft. of conservation tree plantings (18 acres)
- 18 Forest stand improvement projects – 580 acres
- 2 Fire event rehabilitation projects – Replaced 5,300 ft. fence, 4,067 trees planted for reforestation
- 1 Fish and wildlife habitat improvement projects – .36 acres
- 1 Forest Stewardship plan development projects – 959 acres

A total of \$100,000.00 was allocated towards these projects. There were approximately 214,335 conservation grade seedlings sold in Wyoming during FY 2004. These seedlings resulted in approximately 1,714,680 lineal feet of conservation tree plantings (787 acres, includes FLEP plantings above).

The Urban and Community Forestry Program of the Division provided technical and financial assistance to prepare tree inventories and comprehensive management plans for Powell, Cody, Evanston, Kemmerer, and Rawlins. The Wyoming Community Forestry Council approved 32 grants throughout the state for a total of \$135,712 used to plant larger trees on public property, for education and production of various community Forestry publications. Thirty-two communities met Tree City USA qualifications.

The Division continues to provide forest health technical assistance to cooperators and clients. Eighteen projects on private forested land totaling \$44,273.00 were funded for insect and disease projects. Projects consisted of forest thinning, direct control for bark beetle abatement, preventive spraying, and anti-aggregate pheromone capsules.

In cooperation with the Wyoming Department of Transportation and Wyoming Conservation Districts, nine living snow fence grants for \$99,825.90 planted a total of 22,041 lineal feet of trees to protect 8,520 feet of State roadway in five counties. An additional four county demonstration living snow fence projects installed in three counties resulted in 5,978 lineal feet of living snow fence at a cost of \$15,147.05 to protect 1,898 feet of county roadway.

Inmates are trained in job skills that may provide potential job opportunities upon completion of their term while they complete conservation projects of value to Wyoming communities and residents during their incarceration in the Wyoming Honor Conservation Camp and the Wyoming Honor Farm. This year 167 inmates received training in chain saws use and fire fighting and used for crew assignments. The inmates completed 86 community projects and

they received 19 wild fires and prescribed burn assignments. Although no contracts were completed this year, 241 cords of firewood, 523 tons of logs and 4,886 posts and poles were sold for \$36,454 of income. Crews also assisted in treatment of 316 forested acres for improved timber growth and/or to retain aspen stands, 640 acres for insects and provided assistance to a 48 acre fuel treatment project.

## **Strategic plan changes**

There are no significant changes to the objectives and outcomes of this division.

# Office of State Lands and Investments organization chart

