



## STATE BOARD OF LAND COMMISSIONERS

Dirk Kempthorne, Governor and President of the Board  
Ben Yursa, Secretary of State  
Lawrence G. Wasden, Attorney General  
Keith L. Johnson, State Controller  
Marilyn Howard, Superintendent of Public Instruction

Winston A Wiggins, Secretary to the Board

### Final Minutes Regular Land Board Meeting March 8, 2005

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, March 8, 2005 in Boise, Idaho. The meeting began at 9:03 a.m. in the second floor courtroom of the Borah Post Office Building. The Honorable Dirk Kempthorne presided. The following members were present:

Honorable Secretary of State Ben Yursa  
Honorable Attorney General Lawrence G. Wasden  
Honorable State Controller Keith L. Johnson  
Honorable Superintendent of Public Instruction Marilyn Howard

Secretary to the Board Winston A Wiggins

#### • **CONSENT**

**Director Wiggins provided background information on the Consent Agenda items.**

**A motion was made by Controller Johnson to approve the Consent Agenda in its entirety. Secretary of State Yursa seconded the motion. The motion carried on a vote of 5-0.**

#### 1. **Director's Report – approved**

- A. Interest Rate on Department Transactions – February 2005
- B. Bureau of Real Estate, Land Sale Section, Official Transactions – January 2005
- C. Bureau of Real Estate, Easement Section, Official Transactions – January 2005
- D. Bureau of Surface and Mineral Resources, Official Transactions – December 2004; January 2005
- E. Timber Sale Official Transactions – January 25, 2005 through February 22, 2005
- F. Timber Sale Activity Report
- G. Legal Matter Summary
- H. 2006 Legislation of Interest – *DISCUSSION: Transcript available upon written request*

#### 2. **Timber Sales – Staffed by Bob Helmer, Chief, Bureau of Forest Management – approved**

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|----------------|------------|-----------|-------|
| A. Little Sand | CR-41-0022 | 5,560 MBF | Latah |
| B. Upper Lakey | CR-50-0109 | 5,975 MBF | Adams |

#### 3. **Conceptual Approval Request for the Stephens Land Exchange – Staffed by Perry Whittaker, Chief, Bureau of Real Estate – approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to initiate the exchange process with Mr. Stephens and to conduct the timber cruises and appraisals necessary to finalize the exchange. The final exchange proposal will be brought back to the Land Board for approval.

*BOARD ACTION:* Approved.

**4. Conceptual Approval Request for the Blue Lakes Land Exchange** – Staffed by Perry Whittaker, Chief, Bureau of Real Estate – approved

*DEPARTMENT RECOMMENDATION:* Direct the Department to initiate the exchange process with the Balisons and to conduct the timber cruises and appraisals necessary to finalize the exchange. The final exchange proposal will be brought back to the Land Board for approval.

*BOARD ACTION:* Approved.

**5. Approval Request for Disclaimer of Interest to Wayne T. Palmer for Accretion Land Adjacent to the Boise River in Canyon County** – Staffed by Perry Whittaker, Chief, Bureau of Real Estate – approved

*DEPARTMENT RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for one (1) parcel of land totaling 16.18 acres of the former bed of the Boise River and to require Mr. Palmer to pay a fee of \$600.00 to the Department for this transaction.

*BOARD ACTION:* Approved.

**6. Request for Approval of City of McCall's Request to Extend the Five-Year Termination Clause in Easement No. 5755** – Staffed by Perry Whittaker, Chief, Bureau of Real Estate – approved

*DEPARTMENT RECOMMENDATION:* Direct the Department to extend the termination date of Easement No. 5755 for five (5) years with the stipulation that all construction must be completed before the next termination date (*i.e.*, before March 24, 2009). If construction of the road is not completed before the termination date, Easement No. 5755 will be modified to include only the existing water and sewer lines. The City of McCall will then have to reapply for a new road easement.

*BOARD ACTION:* Approved.

**7. Minutes** – approved

A. Regular Land Board Meeting – February 8, 2005

• **REGULAR**

**8. Endowment Fund Investment Board Manager's Report** – Presented by Matthew Haertzen, CFA, Manager of Investments, EFIB

*DISCUSSION:* Transcript available upon written request.

*BOARD ACTION:* A motion was made by Attorney General Wasden that the Board amend its spending policy to 5%. In addition, the Board extends an invitation to the Joint Finance and Appropriations Committee to meet with the Board at its February 14, 2006 regular meeting to discuss this issue prior to the next legislative session budget setting process. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 4-1, with Superintendent Howard voting nay.

**9. Potential Land Exchange at Tamarack Resort** – Presented by Denise Mills, Assistant Director, Lands, Minerals, Range

*DEPARTMENT RECOMMENDATION:* Direct the Department to initiate the exchange process, including initial discussions with the US Forest Service, the Bureau of Land Management, the Bureau of Reclamation, the National Park Service and Tamarack Resort, to explore a potential land exchange proposal. Subsequent to those discussions, and upon reaching agreement on a conceptual package, the Department will provide a status update to the Board and will seek approval to begin timber cruises and appraisals for the conceptual exchange package.

*DISCUSSION:* Director Wiggins stated this agenda item is a request for approval to explore a proposed land exchange involving land around the Tamarack Ski Resort and is not a request for conceptual approval at this point. Any proposed exchange would be individually analyzed for its potential contribution to the endowment, as well as for potential management problems or difficulties. After discussions and analyses are completed, the Department would bring this item back to the Board with a specific request for conceptual approval to move forward. The Idaho Congressional delegation has expressed their support of this proposal.

Attorney General Wasden clarified that this is merely a conceptual review and is not a request for conceptual approval. Director Wiggins stated he would call it pre-conceptual at this point. However, in light of the extent of this proposal, and the fact that it will require the expenditure of resources, the Department felt it was necessary to inform the Board about this matter now and then bring the formal conceptual approval to the Board as the next step.

Controller Johnson asked if comments had been received from recreation groups, such as the Idaho State Snowmobile Association or any other potential users of some of the property. Director Wiggins stated he does not believe the Department has had any specific feedback. However, he believes that Mr. Scott Turlington of Tamarack has had discussions with the snowmobilers. Director Wiggins expects that the Department will receive considerable comment regarding the areas along the lake that are currently used primarily for day use and camping-type facilities.

Governor Kempthorne asked how this compares in the amount of land currently leased to Tamarack. Director Wiggins stated it would be about five times the current lease acreage. Governor Kempthorne asked if any discussions have taken place regarding the potential enhancement to the endowment fund. Director Wiggins stated those specifics have not been discussed. The Department would anticipate that the return to the fund would be significantly higher. Otherwise there would be little reason to move forward.

Superintendent Howard asked who owns the bottom of the reservoir. Ms. Pat Barclay from the audience stated that the Bureau of Reclamation owns and administers the reservoir.

Governor Kempthorne recalled the 10-hour public hearing held a couple of years ago and remarked that he is pleased to see that things represented to the Board are coming to pass.

Mr. Scott Turlington, Tamarack, was invited to comment before the Board. Mr. Turlington responded to a question raised by Controller Johnson regarding discussions with the snowmobile community. In February 2005 Tamarack started dialogue with that community. They were advised this potential exchange could be forthcoming and that Tamarack wanted to make sure from day one they were involved in the discussion. Tamarack's intent would be to continue to allow access to the areas that have been traditionally accessed. There would be some limitations based on skier-snowmobile conflicts, and the Association understands that. But at the same time, Tamarack is proposing to enhance other aspects of recreational snowmobile use within the area.

*BOARD ACTION:* A motion was made by Controller Johnson to adopt the Department's recommendation to initiate the discussions. The motion was seconded by Attorney General Wasden. The motion carried on a vote of 5-0.

**10. Final Approval Request to Sell Mountain Home 40 in Elmore County – Presented by Denise Mills, Assistant Director, Lands, Minerals, Range**

*DEPARTMENT RECOMMENDATION:* Direct the Department to advertise and sell four 10-acre lots, without reservation of mineral rights, sell the lots at public auction based on a minimum bid price of \$21,000 per lot, or a total of \$84,000 and deposit the sale proceeds in the Land Bank for future acquisition of real property for the Hospital South Endowment.

*DISCUSSION:* Attorney General Wasden expressed his appreciation for the additional information and analysis on this agenda item. Controller Johnson asked who owns the property south and west of this

parcel. Assistant Director Mills stated those parcels are privately owned. Governor Kempthorne expressed his appreciation to Assistant Director Mills for contacting the Air Force. He stated the Mountain Home Air Force Base is a great asset for Idaho and that the State does not want to intentionally cause an encroachment to occur that might impact base operations.

*BOARD ACTION:* A motion was made by Attorney General Wasden to adopt the Department's recommendation. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.

**11. Final Approval Request to Sell Hazelton Parcel in Jerome County** – Presented by Denise Mills, Assistant Director, Lands, Minerals, Range

*DEPARTMENT RECOMMENDATION:* Direct the Department to advertise and sell the 240-acre parcel, undivided and with a reservation of mineral rights, at public auction based on a minimum bid of \$30,000, or \$24,000 if the Department is unable to obtain access from the Bureau of Land Management. Sale proceeds will be deposited in the Land Bank for future acquisition of higher-income property for the Public School Endowment.

*DISCUSSION:* Controller Johnson asked about water rights for this property. Assistant Director Mills stated there is currently no water right for this property.

*BOARD ACTION:* A motion was made by Attorney General Wasden to adopt the Department's recommendation. Controller Johnson seconded the motion. The motion carried on a vote of 5-0.

**12. Appeal of Improvements Appraisal for Grazing Lease G-9010** – Presented by Denise Mills, Assistant Director, Lands, Minerals, Range – transcript available upon request

*DEPARTMENT RECOMMENDATION:* Reject the appeal filed by Roy Laird Ranches and accept the high bid of \$41,000 submitted by Cottle Farms for grazing lease G-9010. Direct the Department to issue a new ten-year grazing lease to Cottle Farms. The new lease will include a summary of the grazing management proposal submitted by Cottle Farms and accepted by the Department.

*DISCUSSION:* Transcript available upon written request.

*BOARD ACTION:* A motion was made by Attorney General Wasden to adopt the Department's recommendation. Superintendent Howard seconded the motion. The motion carried on a vote of 5-0.

• **INFORMATION**

**Director Wiggins briefed the Board on the Information Agenda items. No Land Board action is required on the Information Agenda.**

**13. Grazing Fee for Calendar Year 2006** – Staffed by Tracy Behrens, Program Manager, Grazing and Cropland

**14. Sanders Beach Update** – Staffed by Nick Krema, Deputy Attorney General, Attorney General's Office – ***moved to Executive Session***

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*At 11:05 a.m., a motion was made by Attorney General Wasden to resolve into Executive Session. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.*

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• **EXECUTIVE SESSION**

**A. To Consider Records that are Exempt from Disclosure** [[Idaho Code § 67-2345\(1\)\(d\)](#)]

**B. To Consider and Advise Its Legal Representatives in Pending Litigation or Where There is a General Public Awareness of Probable Litigation** [[Idaho Code § 67-2345\(1\)\(f\)](#)]

**C. To Consider Personnel Matters [[Idaho Code § 67-2345\(1\)\(b\)](#)]**

**D. To Consider Acquiring an Interest in Real Property Which is Not Owned by a Public Agency [[Idaho Code § 67-2345\(1\)\(c\)](#)]**

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*At 11:59 a.m. a motion was made by Attorney General Wasden to resolve into Regular Session.  
Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.*

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Upon return to regular session, a motion was made by Attorney General Wasden to direct the Office of the Attorney General to continue to litigate on behalf of the Board in the matter of *In Re: the Ownership of Sanders Beach regarding lands south of Government Lot 5, Section 24, TWP 50 North, Range 4 West, BM between Eleventh Street and Fifteenth Street, City of Coeur d'Alene*, which is pending in Kootenai County. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.

There being no further business to come before the Board, the meeting adjourned at 12:01 p.m.

IDAHO STATE BOARD OF LAND COMMISSIONERS

*/s/ Dirk Kempthorne*

President, State Board of Land Commissioners and  
Governor of the State of Idaho

*/s/ Ben Ysursa*

Ben Ysursa  
Secretary of State

*/s/ Winston A Wiggins*

Winston A Wiggins  
Director

<p>The above-listed final minutes were approved by the State Board of Land Commissioners at the April 12, 2005 regular Land Board meeting.</p>
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