



STATE BOARD OF LAND COMMISSIONERS

Dirk Kempthorne, Governor and President of the Board

Ben Ysursa, 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  
October 11, 2005

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, October 11, 2005 in Boise, Idaho. The meeting began at 9:02 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 Ysursa
- 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 Superintendent Howard to approve the Consent Agenda in its entirety. Controller Johnson seconded the motion. The motion carried on a vote of 5-0.**

**1. Director's Report – approved**

- A. Interest Rate on Department Transactions – September 2005
- B. Bureau of Real Estate, Land Sale Section, Official Transactions – August 2005
- C. Bureau of Real Estate, Easement Section, Official Transactions – August 2005
- D. Bureau of Surface and Mineral Resources, Official Transactions – June-July-August 2005
- E. Timber Sale Official Transactions – August 27, 2005 to September 23, 2005
- F. Timber Sale Activity Report
- G. Legal Matter Summary

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

A. Wrenco Heights	CR-20-0248	3,500	MBF	Bonner
B. Mica Divide	CR-41-0025	2,840	MBF	Latah
C. Bo Tye	CR-50-0131	4,961	MBF	Valley

3. **Renewal of Riverbed Mineral Lease No. 8383, Magic Valley Sand & Gravel, Burley** – Staffed by Sharon Murray, Minerals Program Manager, Bureau of Surface and Mineral Resources – **approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to renew Mineral Lease No. 8383 subject to stipulations.

*BOARD ACTION:* Approved.

4. **Approval to Issue Grazing Leases G-6164, G-6265 and G-6585 to Highest Bidders** – Staffed by Tracy Behrens, Range/Cropland Program Manager, Surface and Mineral Resources Bureau – **approved**

*DEPARTMENT RECOMMENDATION:* Accept the high bids submitted at auctions for grazing leases G-6164, G-6265 and G-6585 and direct the Department to issue new ten-year grazing leases to the highest bidders. Each lease will include a summary of the grazing management proposal submitted by the successful bidder and accepted by IDL. The first year's rental deposits will be refunded to the unsuccessful applicants.

*BOARD ACTION:* Approved.

5. **Minutes** – **approved**

A. Regular Land Board Meeting – September 13, 2005

• **REGULAR**

6. **Endowment Fund Investment Board Report** – Presented by Larry Johnson, Manager of Investments, EFIB

Mr. Johnson provided an update for the Board. A report was distributed with market results through October 10, 2005. In general, managers are performing as expected. The portfolio has out-performed its benchmark by approximately 100 basis points and currently has approximately \$870 million. Since the beginning of the fiscal year, and through October 10, the Fund has gained about \$30 million, with \$18 million earned in the investment market and almost \$12 million received in contributions. Today a little over \$3 million will be paid to the beneficiaries.

Fiscal year to date, the total Fund is up 2.2%, 100 basis points ahead of its benchmark. The US equity market, which makes up over half of the fund, is up only 2% so far in the fiscal year. The big returns have been in the international equity market, but that is a small portion of the Fund, about 15%. Fixed income has been down slightly due to a rise in interest rates.

The first meeting of the Endowment Fund Reform Review Task Force has been held. A second meeting is scheduled. The Task Force consists of Representatives Deal and Bolz, Kathy Opp (Department of Lands), Clive Strong (Attorney General's office), Larry Schlicht (Division of Financial Management), Chuck Goodenough (Secretary of State's office), Steve Allison (State Controller's Office) with the assistance of Ray Houston (Legislative Services Office) and an attorney assigned from the Attorney General's office.

*DISCUSSION:* Governor Kempthorne welcomed Mr. Johnson to his first appearance before the Land Board. He asked Mr. Johnson to provide information about his background. Mr. Johnson stated he is a native Idahoan who recently returned to Idaho after working seven years in Montreal. He has spent

most of his career in the forest products industry with the last few years managing investment funds for a forest products company. Mr. Johnson stated he is glad to be back in Idaho.

No action was taken on this agenda item.

**7. Fire Season Update** – *Presented by Winston Wiggins, Director, IDL*

Director Wiggins cautioned the Board that even though this is the last fire season update, it is not necessarily the last fire. Up to this point, there has been quite a bit of rain, particularly in the north, and if a significant fire occurs now, it would most likely be due to wind. If a big wind event occurs, particularly if it takes power lines down, there could be additional fires. He added, of course, there is no way to predict that.

Fires were down this year although acres were up. There were two major fires in the Clearwater country – the Blackerby and the Long Ruggles. These fires were the top two priority fires in the nation for a period of time. The Blackerby fire, in particular, threatened a number of homes. Director Wiggins praised the efforts of staff for their work on these fires.

Director Wiggins stated the Department has accepted a number of off-district assignments, meaning outside of our jurisdiction, and eight assignments were specifically associated with hurricane relief. Some of those assignments are in Texas, but some are also in Louisiana and Mississippi. Another assignment was actually in Kentucky, which is the location of the main warehouse feeding equipment to the hurricane effort. On top of that, the Department has at least two people backing up NIFC in their warehouse.

Estimated fire expenses are almost \$14 million, with \$2.5 million reimbursable, with an \$11,320,000 net obligation to the State general fund. The Department is doing its best to project and as we get closer to the end of the season that estimate will become more accurate. The Department will continue to work with Ray Houston and Larry Schlicht on an ongoing basis to assure that the figures are updated. However, barring some sort of large event, Director Wiggins believes these are the ballpark figures for this year.

Director Wiggins noted that a question was raised about the distribution of fire starts for this year and last year – 64 lightning fires and 135 human-caused fires this year; 204 lightning fires and 79 human-caused fires last year. The Department monitors those numbers, and Director Wiggins stated he does not believe the differences constitute any kind of trend. He pointed out that two things contributed to at least the percentage distribution this year. One, there was not a lot of lightning. Two, there was an extended dry period into September and early October, which is generally a big time for human-caused fires. In addition, last year a heavy rain event occurred in late August, which helped to suppress those types of starts.

Governor Kempthorne stated he visited the fire site at Stanley. He continually marvels at the work of the firefighters. He also flew the fire line and noted the proficiency of the pilots. He praised the firefighters for their motivation and outstanding efforts. He remarked that while the firefighters deserve our thanks, they also deserve all of the equipment, support and training that they can possibly get so that they can be successful. Director Wiggins noted that while there have been advances in the technology of firefighting, when it comes right down to it, it is still somebody with a shovel or Pulaski that is doing most of the work.

No action was taken on this agenda item.

