



STATE BOARD OF LAND COMMISSIONERS

James E. Risch, 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
August 8, 2006

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, August 8, 2006 in Boise, Idaho. The meeting began at 9:11 a.m. in the second floor courtroom of the Borah Post Office building. The Honorable James Risch presided. The following members were present:

Honorable Secretary of State Ben Ysursa
Honorable State Controller Keith L. Johnson
Honorable Superintendent of Public Instruction Marilyn Howard

Secretary to the Board Winston A Wiggins

Attorney General Wasden participated in the meeting via conference call.

• **CONSENT**

Director Wiggins provided background information on the Consent Agenda items.

A motion was made by Controller Johnson to approve the Consent Agenda with the exception of item 6. Item 6 was moved to the Regular Agenda. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0, with Attorney General Wasden voting by conference phone.

1. Director's Report – approved

- A. Interest Rate on Department Transactions – July 2006
- B. Bureau of Real Estate, Land Sale Section, Official Transactions – June 2006
- C. Bureau of Real Estate, Easement Section, Official Transactions – June 2006
- D. Timber Sale Official Transactions – June 24, 2006 through July 21, 2006
- E. Timber Sale Activity Report
- F. Legal Matter Summary
- G. Bureau of Surface and Mineral Resources, Official Transactions – March through June 2006
- H. Fire Season Summary

2. Timber Sales – Staffed by Roger Jansson, Operations Chief-North, and Steve Douglas, Operations Chief-South – **approved**

A. Chase Kabob	CR-10-0360	3,200	MBF	Bonner
B. Wilson North	CR-30-0522	5,220	MBF	Benewah
C. Scrape Line	CR-30-0524	6,645	MBF	Benewah
D. Indian Cliffs	CR-30-0529	1,350	MBF	Benewah
E. Lower Bishop	CR-41-0014	4,800	MBF	Clearwater
F. Crane Creek Pole	CR-42-5014	910	MBF	Clearwater
		194,500	LF	
G. 4 th of July Pulp	CR-42-5021	3,660	MBF	Idaho
H. Timber Garden	CR-43-4010	5,355	MBF	Idaho
I. Scattered Johnson	CR-50-0133	4,562	MBF	Adams & Washington
J. Huckleberry	CR-60-0170	1,205	MBF	Boise & Valley

3. Disclaimer of Abandoned Railroad Right-of-Way in Owyhee County, Idaho – Staffed by Nick Krema, Deputy Attorney General, IDL – **approved**

DEPARTMENT RECOMMENDATION: The Department recommends that the Land Board disclaim its interest to the above-described real property.

DISCUSSION: Superintendent Howard commented it appears the sentiment is that railroad rights-of-way are unnecessary and unused therefore we can simply disclaim them. She wonders if we are compromising the future for any kind of quick transit system in this area. She asked if this has been discussed.

In looking at the map, Governor Risch stated he believes it would be a long time before there would be a light rail system in Owyhee County paralleling the Snake River. He does not view this disclaimer as setting any kind of precedent.

Superintendent Howard stated her concern is that previous decisions and court action make it appear that this did have precedent. She wondered if we would be relying on some sort of master plan that the counties would come up with, or the Transportation Department, in order to try to future this area out for about thirty or fifty years to see if anything could be done now to determine which disclaimers might fit.

Secretary of State Ysursa noted the Board memo indicates that Department staff, and Attorney General's counsel assigned to the Department, will develop a policy to resolve disclaimers of rights-of-way in which the Department may have colorable title and that the policy would be brought back to the Board for approval. Included with that proposed policy would be an analysis of some of the adverse court decisions and others so the Board can have a coherent, rational policy going forward.

BOARD ACTION: Approved.

4. Agreement for Purchase of Conservation Easement. Project: Singleton-Kilgore – Staffed by Kirk David, Service Forestry Specialist, Forestry Assistance Bureau – **approved**

DEPARTMENT RECOMMENDATION: Authorize the Department to acquire the described 560-acre conservation easement for \$641,000.

BOARD ACTION: Approved.

5. Authorization to Use Funds from the Mining Reclamation Fund – Staffed by George Bacon, Assistant Director, Lands, Minerals, Range – approved

DEPARTMENT RECOMMENDATION: (1) That the Board authorize mine administration expenditures up to \$20,000 from the Mining Reclamation Fund as outlined in 47-1803, Idaho Code. This authorization will be for actuarial work to determine the appropriate minimum balance that must be maintained in the reclamation fund for reclamation liabilities; (2) that the Department develop policy recommendations for the Board to consider on how the appropriate minimum balance in the reclamation fund will be determined in the future, as outlined in 47-1803, Idaho Code.

BOARD ACTION: Approved.

6. Applications to Lease the Bed of the Salmon River Below the Ordinary High Water Mark for Sand and Gravel – Staffed by George Bacon, Assistant Director, Lands, Minerals, Range

At the request of Controller Johnson, this item was moved to the Regular Agenda and was heard after Agenda Item 13.

DEPARTMENT RECOMMENDATION: The mineral lease applications be denied due to the general concerns expressed by the commenting agencies and the specific concern of the potential impact to river hydraulics.

DISCUSSION: Controller Johnson noted the recommendation of the Department is to deny this proposal. While he would prefer to find a way to make this work, he realizes that, based on the background information provided, other state agencies have made similar recommendations that this not go forward. He asked if the Department currently has any sand and gravel leases upstream from Riggins or have there been any leases in the last number of years. Assistant Director Bacon stated he is not aware of any leases in that reach of river upstream from Riggins. He noted there is one lease further down stream from Riggins by Slate Creek, which is a replenishing bar that has been mined continuously since 1955.

Controller Johnson asked if the proposal before the Board is a replenishing bar or a new source of sand and gravel. Assistant Director Bacon stated it is unclear whether it is a replenishing bar. Similar concerns have been expressed by other agencies and by the Department's onsite Resource Specialist. Concern was expressed about river hydraulics, bank stabilization and actually changing the river.

Controller Johnson noted the applicant specifically was attempting to get sand and gravel for a federal highway administration project on the main Salmon River road. He asked if there are other equally accessible, or similarly accessible, sources of material that can be used for the project. Assistant Director Bacon stated he is not aware of any. His understanding is that the project will be let in September. Mr. Kaschmitter is trying to prepare so he can bid on the project. The federal engineer indicated he hopes an upland site can be found. Assistant Director Bacon believes Mr. Kaschmitter has the lease at Slate Creek currently, which would be a long haul but still in the region. Mr. Kaschmitter has held that lease for over a year and a half.

Governor Risch remarked that the area in question has all kinds of mining activity and is rich in gravel on federal, state and private land. One concern for him, however, is that the Idaho Department of Environmental Quality has expressed concern that there is a high likelihood of changing the river hydraulics. Although he does not know what studies DEQ completed, or what foundation they have for their opinion, he feels it is a "no starter" if the hydraulics of the river will change.

Controller Johnson stated that Governor Risch touched on what concerned him the most and that is the foundation for the recommendation to deny. While not wanting to second guess the recommendation, he was looking for a way to see if the proposal could work.

BOARD ACTION: A motion was made by Superintendent Howard to move the Department's recommendation. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.

7. Department of Lands Strategic Plan – Staffed by Winston Wiggins, Director – approved

DEPARTMENT RECOMMENDATION: That the Board approve the Department's 2007-2011 Strategic Plan.

BOARD ACTION: Approved.

8. Auction Results of Grazing Lease G-7665 – Staffed by George Bacon, Assistant Director, Lands, Minerals, Range

DEPARTMENT RECOMMENDATION: Since Department management costs are estimated to be the same regardless of which party is awarded the lease, the Department recommends that the Board accept the high bid of \$7,500 submitted by Antelope Springs for grazing lease G-7665, and direct the Department to issue a new ten-year lease to Antelope Springs Ranch. The lease will include a summary of the grazing management proposal submitted by the high bidder and accepted by the Department.

BOARD ACTION: Approved.

9. Minutes – approved

A. Regular Land Board Meeting – July 11, 2006

ITEM NOT ON THE AGENDA – BOARD ACTION TAKEN IN REGULAR SESSION

• OWYHEE INITIATIVE

Senator Mike Crapo participated via conference phone in a discussion regarding the Owyhee Initiative Bill and the Owyhee Initiative Implementation Act. The Act was filed by Senator Crapo in the United States Senate on Thursday, August 3. The Act culminated five years of hard work with Owyhee County and the Workgroup. Senator Crapo remarked he believes that the Owyhee Initiative Implementation Act is good for the State of Idaho. Water rights have been protected and traditional land uses have been preserved. Decades of conflict will be resolved and with this process, an Owyhee Initiative Board of Directors and science center will be created to provide a proper forum to manage issues in the future. State lands in this area will continue to be grazed as part of active state grazing leases, or whatever choices that the State Land Board makes consistent with its responsibility and stewardship over state land.

Dr. Chad Gibson, representing the Owyhee Cattlemen's Association, added that the effort covered a very broad spectrum and hard work. Many groups were asked to provide input as the process went along. Dr. Gibson hopes the thoroughness with which this has been done will pay off in the legislative effort to benefit not only Owyhee County, but also the State of Idaho.

Superintendent Howard expressed her support for the collaborative nature in which this process was undertaken. She applauded the willingness of the participants to listen to all voices.

A copy of the Resolution as signed by the Board is shown below:

RESOLUTION

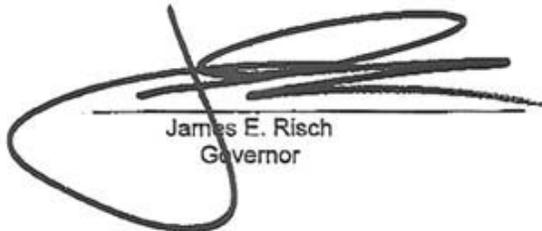
Whereas, a diverse coalition of Idaho citizens and interests, including landowners, ranchers, environmental organizations, County government, and recreation groups, worked cooperatively to develop the Owyhee Initiative Agreement;

Whereas, the Idaho State Board of Land Commissioners commends the collaborative work of Senator Mike Crapo, the Owyhee County Commissioners, the Owyhee Initiative Work Group and those who have participated in and supported the development of the Owyhee Initiative;

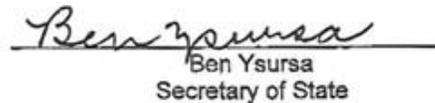
Now, Therefore, the Idaho State Board of Land Commissioners support the prompt passage of the Owyhee Initiative Implementation Act of 2006 by the Congress of the United States and its signature by the President of the United States.

Resolution Approved:

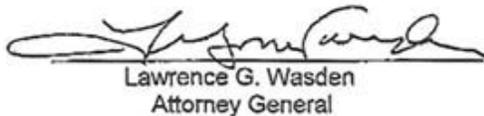
August 8, 2006



James E. Risch
Governor



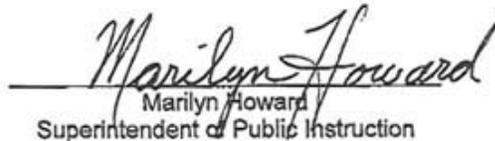
Ben Yursa
Ben Yursa
Secretary of State



Lawrence G. Wasden
Attorney General



Keith L. Johnson
State Controller



Marilyn Howard
Marilyn Howard
Superintendent of Public Instruction

BOARD ACTION: A motion was made by Secretary of State Yursa to move that the Land Board go on record supporting the Owyhee Initiative and Bill as introduced by the Honorable Senator Mike Crapo. Governor Risch asked if the motion also included adoption of the Resolution. Secretary of State Yursa so moved. Controller Johnson seconded the motion. The motion carried by unanimous consent.

- **REGULAR**

- 10. **Endowment Fund Investment Board Manager's Report** – *Presented by Larry Johnson, Manager of Investments, EFIB*

- A. EFIB Manager's Report

Mr. Johnson reported that the Fund lost about 0.1% for the month of July, which is the first month of the fiscal year. For the three years ending July 2006, the Fund has returned 12.1% per year.

No action was taken on this agenda item.

B. Approval of FY 2008 Endowment Fund Distributions to Beneficiaries

DISCUSSION: Mr. Johnson provided background information on two options recommended by the Endowment Fund Investment Board.

Superintendent Howard asked about the chart on page eight, showing the Public School Permanent Endowment Fund compared to its loss benchmark and gain benchmark. She noted that the Fund appears to have crossed the loss benchmark in FY2006. Mr. Johnson stated that this is an estimate and that a final determination cannot be made until the independent auditors have finished their review. Superintendent Howard asked when the performance vs. the loss benchmark is measured, and Mr. Johnson stated it is done only at fiscal year end.

Superintendent Howard remarked that the Board has been trying to maintain the long term security of the Public School Endowment Fund, and that is why the Board has taken a conservative stance in the past of trying to reduce the amount of payments. The Board feels an obligation to sustain the Fund for the future.

Mr. Johnson noted that the level of distribution does not directly affect the permanent fund because they are taken only from the earnings reserve fund. However, the Board can decide to transfer assets from earnings reserve to the permanent fund. Additionally, state statute restricts the payout from the permanent fund to only interest and dividends, so all capital gains accrue to the permanent fund. Therefore, over a normal market cycle, assuming capital gains of 1.5% to 2.5% annually in excess of inflation, one can expect to be back to the gain benchmark within six to nine years without making any transfers.

Governor Risch asked Mr. Johnson about his confidence in the preliminary fund balances for the end of fiscal year 2006. Mr. Johnson stated he has met with the auditors on several occasions and they are 95% complete with their audit work so he is 95% confident in the numbers.

For clarification of Superintendent Howard's comments, Governor Risch asked if he is correct in that Superintendent Howard views the Land Board's job as being different from that of the Legislature. Legislators focus on the current budget while the Land Board's job is more of a trustee, fiduciary relationship to protect the Fund for the future. Superintendent Howard stated that is correct.

Attorney General Wasden stated the Board is faced with a situation where two recommendations are on the table, and that he is willing to take a safer course of action by staying with the existing spending policy.

BOARD ACTION: Controller Johnson moved the EFIB recommendation with the existing spending policy of \$38.6 million, including two exceptions for the Penitentiary and School of Science distributions. Controller Johnson further directed that approval of the proposed spending policy be deferred, and that the Task Force work with the EFIB on the issue of the transfer to the Permanent Fund. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.

11. Results of Auctions for Grazing Leases Involving Lazy Y Ranch, LTD – Presented by George Bacon, Assistant Director, Lands, Minerals, Range

DEPARTMENT RECOMMENDATION: That the Board: (1) reject the high bid of \$1,200 submitted by Lazy Y Ranch LTD for grazing lease G-4008 and offer a new ten-year lease to JoAnne Beale at her high bid of \$1,100; (2) reject the high bid of \$150 submitted by Lazy Y Ranch LTD for grazing lease G-4051 and offer a new ten-year lease to Bob Parkins at his high bid of \$125; reject the high bid of \$2,000 submitted by Lazy Y Ranch LTD for grazing lease G-4052 and offer a new ten-year lease to Laurence Kress at his high bid of \$1,700; reject the high bid of \$725 submitted by Lazy Y Ranch LTD for grazing lease G-4055 and offer a new ten-year lease to Helmer Cattlemen Association at their high bid of \$700; reject the high bid of \$150 submitted by Lazy Y Ranch LTD for grazing lease G-4057 and offer a new ten-year lease to Jim Ledgerwood at his high bid of \$125; reject the high bid of \$1,600 submitted by Lazy Y Ranch LTD for grazing lease G-4608 and offer a new ten-year lease to Van Buren Ranch at their high bid of \$1,400.

DISCUSSION: Attorney General Wasden asked for more information as to why the Department estimated eighteen inspections for the split allotment management and four inspections for the unified allotment management on lease G-4008. Assistant Director Bacon stated the anticipation is that during the turnout period, eighteen weeks in this case, the Department would, at a minimum, conduct weekly inspections on each allotment to see if cattle were causing resource damage. The Department would monitor even if the lessee had not turned out cattle to ensure that adjoining cattle were not depleting the volume of grass. The difference between the eighteen and the four is the Department would not need weekly inspections with one lessee operating both sides of the allotment because there would not be concerns about drift cattle. Attorney General Wasden asked if that same reasoning applies to the rest of the leases. Assistant Director Bacon stated that is correct.

Controller Johnson asked if there have been problems with any of the current operators in the last ten years. Assistant Director Bacon stated not to his knowledge.

Superintendent Howard commented in the past lease holders were expected to police their own boundaries. She asked under what conditions the Department requires the lessee to provide a range rider. Assistant Director Bacon stated the range rider is a tool that is often used on allotments and is usually outlined in the management plan prepared for each allotment. On some allotments it makes sense to use that tool and on others it is not necessary because it is an additional expense. Each lease is evaluated on a case-by-case basis. When management plans are prepared or negotiated, the Department's managers will determine if that needs to be a requirement in the lease because of the configuration or for other reasons.

Superintendent Howard noted when looking at these leases, it appears in a lot of cases the state land is totally isolated. She asked if that would be a circumstance where the Department would tell the lessee that it is their responsibility to keep the cattle off adjacent lands. Assistant Director Bacon stated the Department would have that expectation but still feels, as a responsible landowner, that it would have to inspect to ensure that is occurring.

Superintendent Howard stated it appears that the letter dated August 3 is not relevant to today's discussion. She does not believe promises made there would be any type of deterrent to discussions held today. However, she wanted to check because it seems to her to have gone beyond the boundaries of the discussions or expectations at the time of auction.

Controller Johnson agreed with Superintendent Howard's observation. He stated even if it were relevant, what he saw was a potential offer of \$30,000. However, he feels the cost would be much higher. Governor Risch suspects that \$30,000 would be de minimis in trying to resolve the problems resulting from these changes.

For the record, Superintendent Howard stated she supports the motion. When she looks at this from a realistic point of view, the management and costs would far outstrip any benefit that would come to the state. Governor Risch agreed. For the record, he pointed to the fact that there are numerous isolated pieces within each of these grazing allotments, and he does not see how anyone could manage it.

BOARD ACTION: A motion was made by Controller Johnson to adopt the recommendation from the Department of Lands. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.

12. Buttercup Parcel Development Proposals – *Presented by Kent Nelson, Office of the Attorney General, and Kathy Opp, Division Administrator, Support Services, IDL*

DEPARTMENT RECOMMENDATION: The panel recommends the Department enter into an exclusive negotiation agreement with Sage Cliff, LLC. While each of the proposals in the final group can demonstrate a viable business endeavor, the decision is not simply based on the financial analysis it also includes an assessment of risk, timing, project duration, business assumptions and a demonstrated history of relevant development experience. In addition, three of the four projects evaluated were, based upon further review, found to face significant legal barriers based on the statutes and constitutional provisions that govern the Board's treatment of endowment assets. Taking these factors into consideration, the Sage Cliff proposal supported an apparent ability to deliver their business offer, meet current legal requirements, and provide the most desirable return to the endowed beneficiary.

Adopting the recommendation will commence an initial 90-day negotiation period to craft the terms of a development agreement that is specific to the project proposal and the respondent's offer. During this time the parties will, in good faith, endeavor to negotiate and prepare an agreement, which will specify their roles in the development of the site. The Sage Cliff, LLC proposal will have to be tailored to meet legal constraints. If the parties fail to enter into an agreement within the said period then the parties have no further obligations to one another and neither is entitled to any compensation from the other party for any reason connected with the negotiations or their termination, or with respect to the contemplated transaction. If the parties fail to enter into an agreement within said period, the Department may elect to negotiate with other parties, including but not limited to, the remaining respondents, parties who have expressed an interest in the subject property, or the Department may elect to request additional proposals. Any effort to zone the property consistent with local ordinance will be done as a matter of comity and will not be considered binding on the Board.

DISCUSSION: Division Administrator Kathy Opp provided background information. Deputy Attorney General Kent Nelson advised the Board of their ability to enter into Executive Session to ask additional questions, if needed.

Controller Johnson asked if the recommendation would initiate a 90-day negotiation period with the Sage Cliff organization. Administrator Opp stated it would. After the 90-day period, a recommendation would come back to the Board to develop the property with a proposed yes or no scenario. The proposer and the Department have the ability to discontinue negotiations at any time.

Controller Johnson stated he does have questions that may fall under Executive Session. Deputy Attorney General Kent Nelson advised that the Board's authority is to conduct deliberations. Those deliberations may impact the ability to negotiate and possibly to acquire exchange parcels, or the like, so if that sort of discussion will be held, the recommendation is that those discussions be held in Executive Session.

BOARD ACTION: Based on unanimous consent, the Board deferred discussion on this agenda item to the Executive Session. Upon return to regular session, a motion was made by Controller Johnson to adopt the recommendation of the Department to move forward with the ninety-day negotiations. Attorney General Wasden seconded the motion. The motion carried on a vote of 5-0.

13. Department of Lands Fiscal Year 2008 Budget – Presented by Kathy Opp, Administrator, Support Services

DEPARTMENT RECOMMENDATION: Direct the Department to submit supplemental and enhancement requests in the Fiscal Year 2008 budget proposal that is due on September 1, 2006.

DISCUSSION: Director Wiggins provided additional information on enhancement 2, a relocation of the Department from its current building into an endowment-owned building. The net to the endowment earnings reserve from that change would be an increase of \$250,000 each year. The Department's current location is leased from the Department of Administration. Earnings reserve money is paid into the general fund for that lease.

Governor Risch asked if the Department of Administration has another tenant for 954 West Jefferson. Director Wiggins stated he is attempting to schedule an appointment with Director Ahrens to discuss that matter. The Department will relinquish more space than will be occupied in the new building. In addition, the Department's current location has basement space, which is not suitable for human occupancy but is good for storage.

Governor Risch asked who is occupying the new location's space. Director Wiggins stated there are several tenants currently in the building: Office of Species Conservation, Eberle Berlin Law Firm and Western Insurance. Governor Risch asked who is moving out of the building. Administrator Opp stated Western Insurance on the first floor is vacating the premises sometime this fall although they have asked for month-to-month extensions should their new space not be ready. The Department has been working with the Civil Litigation Division regarding the second floor tenant, Eberle Berlin. The Eberle Berlin Law Firm apparently has agreed to vacate the second floor, target date of June 1, 2007, with a six-month window should their new space not be available at that time. The Office of Species Conservation would remain in their current location.

Governor Risch asked Director Wiggins for his contemplated move date. Director Wiggins stated the anticipation is that the first floor would move into the new location by the end of calendar year 2006. The second floor would move as soon as the current tenant vacates, which is sometime after June 1, 2007. Governor Risch asked about the basement storage space. Director Wiggins stated the Department can vacate the storage space in two weeks, if needed.

Director Wiggins pointed out enhancement 5, fire cache building repairs. The Department is asking for \$16,000 of its own funds contingent on a public building fund request for \$335,000 to repair the foundation and to put in a sprinkler system.

Superintendent Howard asked about the fire equipment. The Department indicates 30% of equipment is over the age of replacement. She asked what is considered to be the age of replacement. Director Wiggins stated it varies by equipment. Engines are 15 years, but pumps are a shorter period of time. Fire equipment is aged typically on how old it is rather than miles. Fire engines do not typically get a lot of miles, but they get a lot of use and 15 years runs them about to the point where maintenance costs starts to overcome the balance. A point is reached where replacement parts are not even available for these engines. That is the biggest element of fire equipment the Department is considering replacing.

Superintendent Howard asked for an explanation about budget item 8, gypsy moth detection. Administrator Opp stated TPC represents temporary personnel cost expense. The Department does not have a permanent full-time employee conducting that work. Director Wiggins added that these staff hang tent-shaped orange traps that have a fly-paper like substance inside. At the end of the season the traps are collected and checked to see if a gypsy moth has been caught. If a gypsy moth is caught that indicates movement of the insect and additional testing is needed before potential treatment.

Governor Risch asked if the treatment for gypsy moth is a chemical treatment. Director Wiggins stated it is typically BT by helicopter. BT is a naturally occurring substance so it is not chemical, and no negative feedback has been received from the public. The Department has treated in the Sandpoint, East Hope area, around Tubbs Hill in Coeur d'Alene and in Post Falls. Those are the only actual treatments the Department has had for gypsy moth since it was first discovered in Idaho. The gypsy moth attacks typically deciduous trees in cities.

Superintendent Howard noted the Department's comment that it is exploring adding counties as cooperators and will continue to seek consolidation with the Department of Agriculture to handle statewide responsibility for the program. She asked if there is an attempt to have the Department of Agriculture be the trapping agency. Director Wiggins stated the Department of Agriculture is the control agency south of the Salmon, but what the Department had explored as an alternative is by MOU and passing the money to the counties in the northern part of the state the counties would actually put out the traps and collect them and that would reduce that expense. But it does not appear that is an option right now. If it turns out it is an option in the future, then the Department would look at transferring funding to the counties to help support that action.

Superintendent Howard asked about the 3.5% change in employee compensation and 23.1% fringe benefit rate for the agency. She asked what the fringe benefit covers. Administrator Opp stated that fringe benefits include health insurance, taxes and worker's comp insurance for employees pursuant to the Governor's office guidelines. The fringe benefit rate was pre-calculated for each agency.

BOARD ACTION: A motion was made by Controller Johnson to move the recommended budget changes as presented by the Department. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 4-0, with Governor Risch recused for this vote.

- **INFORMATION**

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

14. Land Bank Fund Status – Staffed by Perry Whittaker, Chief, Bureau of Real Estate

Before entering into Executive Session, Governor Risch presented Director Wiggins with a Resolution on behalf of the Land Board. The Resolution reads as follows:

IDAHO STATE BOARD OF LAND COMMISSIONERS
R E S O L U T I O N

WHEREAS, Winston Wiggins has served the People and the State of Idaho for more than 37 years; and

WHEREAS, Winston Wiggins has dedicated many years of distinguished service to the Idaho State Board of Land Commissioners and the Idaho Department of Lands; and

WHEREAS, Winston Wiggins has shown extraordinary skills in fulfilling his duties as the Director of the Department of Lands; and

WHEREAS, over his career with the Department of Lands, Winston Wiggins chaired the committee that developed the Cumulative Watersheds Effects process for Idaho and participated in the Federal Lands Task Force, the Governor's Bull Trout Plan, National Fire Plan and Snake River Basin Adjudication Negotiations. In addition, Director Wiggins wrote the first Lands Records Policy manual, was the first

Timber Sale Supervisor, oversaw development of the first Timber Sale Accounting System, was instrumental in implementing endowment reform objectives within the Department of Lands and led the Development of Asset Business Plans along with many other accomplishments too numerous to list; and

WHEREAS, Winston Wiggins has served as a valued source of information and assistance to the Citizens of Idaho; and

WHEREAS, Winston Wiggins has been a consummate professional and a dedicated state employee;

NOW THEREFORE BE IT RESOLVED, that Winston Wiggins be duly recognized for his more than 37 years of dedicated and meritorious State service to the State Board of Land Commissioners, the Idaho Department of Lands and to the People of the State of Idaho. His loyalty, dedication and persistence are greatly appreciated.

RESOLUTION APPROVED: August 8, 2006

BOARD ACTION: A motion was made by Secretary of State Ysursa to adopt the Resolution as written and signed by all Board members. Controller Johnson seconded the motion. The motion carried on a vote of 5-0. Governor Risch directed that the entire resolution be included in the Board minutes. A copy of the signed Resolution is included with the official minutes of the Board.



At 10:46 a.m. a motion was made by Controller Johnson to resolve into Executive Session. Secretary of State Ysursa seconded the motion. For clarification, Governor Risch asked if the motion includes the language from the agenda. Controller Johnson stated it does. The motion carried on unanimous consent.

- **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\(1\)\(c\)](#)]

At 11:57 a.m., the Board returned to regular session. For the record, Attorney General Wasden stated the Board discussed matters relating to the Buttercup project that were subject to the Executive Session. Also a discussion was held regarding the Department of Lands leadership change and a sub-committee of Secretary of State Ysursa and Attorney General Wasden was appointed to pursue that matter. Governor Risch added that the Department's proposed move and lease were also discussed.

At this point, Governor Risch stated he would entertain a motion on the Buttercup negotiations. Refer to agenda item number twelve (above) for the Department's recommendation and the Board action.

Before adjourning, Attorney General Wasden requested that Secretary of State Ysursa and Attorney General Wasden be officially appointed by the Board to serve as a sub-committee to pursue applicants for Director and/or Interim Director. Governor Risch stated he considers that as a unanimous consent request. He asked for any objections. Hearing none, Governor Risch stated the record will so reflect.

There being no further business to come before the Board, a motion was made by Secretary of State Ysursa to adjourn. Controller Johnson seconded the motion. The motion carried on a vote of 5-0. The meeting adjourned at 12:00 p.m.

IDAHO STATE BOARD OF LAND COMMISSIONERS

/s/ James E. Risch

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

/s/ Ben Ysursa

Ben Ysursa
Secretary of State

/s/ George B. Bacon

for Winston A Wiggins
Director

The above-listed final minutes were approved by the State Board of Land Commissioners at the September 12, 2006 regular Land Board meeting.