



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
July 11, 2006

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, July 11, 2006 in Boise, Idaho. The meeting began at 9:25 a.m. in the second floor courtroom of the Borah Post Office building. The Honorable James Risch presided. The following members were present:

Honorable Attorney General Lawrence Wasden

Honorable State Controller Keith L. Johnson

Secretary to the Board Winston A Wiggins

Secretary of State Ben Ysursa was absent for this meeting. Superintendent Marilyn Howard was unable to join the meeting by conference phone due to technical difficulties.

Audience with the Board

Topic: Grazing on State Endowment Lands and Asset Management

- Jon Marvel, Executive Director, Western Watersheds Project
- Mike Webster, President, Idaho Cattle Association
- Clive Strong, Chief, Natural Resources Division, Attorney General's Office (audience at the request of Governor Risch)

Transcripts are available for the audiences with the Board upon written request to Susan Terry, Idaho Department of Lands, 954 West Jefferson, Post Office Box 83720, Boise, Idaho 83720-0050.

• **CONSENT**

Director Wiggins provided background information on the Consent Agenda items.

A motion was made by Attorney General Wasden to approve the Consent Agenda in its entirety. Controller Johnson seconded the motion. The motion carried on a vote of 3-0, with Secretary of State Ysursa and Superintendent Howard being absent for this meeting.

1. Director's Report – approved

- A. Interest Rate on Department Transactions – June 2006
- B. Bureau of Real Estate, Land Sale Section, Official Transactions – May 2006
- C. Bureau of Real Estate, Easement Section, Official Transactions – May 2006
- D. Timber Sale Official Transactions – May 27, 2006 through June 23, 2006

- E. Timber Sale Activity Report
- F. Legal Matter Summary

2. Timber Sales – Staffed by Roger Jansson, Operations Chief-North and George Bacon, Acting Operations Chief-South – approved

A. Prater Blue II	CR-20-0256	4,200	MBF	Bonner
B. Park 13	CR-41-0021	4,195	MBF	Latah
C. Eight Ball Pulp	CR-42-5013	5,055	MBF	Clearwater
D. Pete's Basin OSR	CR-42-5017	610	MBF	Clearwater
E. School Shelter	CR-42-5022	1,405	MBF	Idaho

3. Qualified Bidders List – Timber Sales – Staffed by Bob Helmer, Chief, Bureau of Forest Management – approved

- A. Tamarack Mill, LLC dba Evergreen Forest, 3555 Hwy 95 South Tamarack, PO Box H, New Meadows, ID 83654

4. Request to Hold Public Auctions for Decorative Stone and Basalt Rock in the Payette Lakes Supervisory Area – Staffed by George Bacon, Assistant Director, Lands, Minerals, Range – approved

DEPARTMENT RECOMMENDATION: (1) Direct the Department to reject mineral lease applications for decorative stone and basalt rock received to date on the Payette Lakes Supervisory Area and notify the recent applicants that lease opportunities will be offered at auction; (2) Direct the Department to advertise and offer mineral leases for decorative stone and basalt rock at public auction on the Payette Lakes Supervisory Area until such time as the Department determines, through a lack of bidding activity or low market demands, that the issuing of over-the-counter leases for this material may resume; (3) Authorize the Department to issue temporary permits (without bidding) for the removal of decorative stone and basalt rock on lands not encumbered by a lease, for personal and minor or incidental commercial use, not to exceed five hundred tons.

BOARD ACTION: Approved

5. Request for Authorization and Execution of a Premises Lease between the State of Idaho and the Idaho State Building Authority – Staffed by Joanna Guilfooy, Deputy Attorney General, Department of Administration and Perry Whittaker, Chief, Bureau of Real Estate, Department of Lands – approved

DEPARTMENT RECOMMENDATION: Approve the finalization and execution of the Premises Lease with the Idaho State Building Authority.

BOARD ACTION: Approved.

6. Approval Request for Disclaimer of Interest to Edmonds Groves Land Holdings, Inc. for Accretion Land Adjacent to the Boise River in Ada County – Staffed by Perry Whittaker, Chief Bureau of Real Estate – approved

DEPARTMENT RECOMMENDATION: Direct the Department to issue a disclaimer of interest for one parcel totaling 24.59 acres of the former bed of the Boise River and to require Edmond Grove Land Holdings, Inc., to pay a fee of \$600.00 to the Department of Lands for this transaction.

BOARD ACTION: Approved.

7. Authorization for Issuance of Deficiency Warrants to Pay Fire Suppression Costs in Fiscal Year 2006 – Staffed by Ron Litz, Assistant Director, Forestry and Fire – **approved**

DEPARTMENT RECOMMENDATION: Authorize the Department to issue deficiency warrants necessary to pay the fire suppression costs beyond the \$127,300 appropriation for fiscal year 2007.

BOARD ACTION: Approved.

8. Request for Approval to Participate as a Member of the:

– Staffed by Ron Litz, Assistant Director, Forestry and Fire – **approved**

- A. Clearwater-Potlatch Timber Protective Association
- B. Southern Idaho Timber Protective Association

DEPARTMENT RECOMMENDATION: That the State continue to participate as a member of the Clearwater-Potlatch Timber Protective Association and as a member of the Southern Idaho Timber Protective Association.

BOARD ACTION: Approved.

9. Minutes – approved

- A. Regular Land Board Meeting – June 13, 2006

• **REGULAR**

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

Mr. Johnson stated returns in June were flat. June marks the end of the fiscal year and a fiscal year return of 10.9% was reported. For the last two years, the endowment fund earned 10.2 percent per year. Both of those figures significantly exceed benchmarks. Active managers are doing what they are paid to do and all investment managers are performing within expectations.

Mr. Johnson highlighted that the Endowment Fund Investment Board will come to the Land Board's August meeting with a recommendation on spending policy and a spending level for fiscal year 2008 as part of the state budget process for 2008.

No action was taken on this agenda item.

11. Forest Land Owner Fire Assessment Rate – Staffed by Ron Litz, Assistant Director, Forestry and Fire

DEPARTMENT RECOMMENDATION: That the State Board of Land Commissioners raise the per acre rate ten cents (\$0.10) per acre, from \$0.45 to \$0.55, and raise the surcharge for improved lots or parcels ten dollars (\$10.00) from \$10.00 to \$20.00, effective for calendar year 2006. Continue to work with forest landowners to establish an appropriate level for, and source of, fire response funding.

DISCUSSION: Controller Johnson asked who pays the largest fee. Mr. Litz responded the Department of Lands, endowments. While there are other major landowners, such as Potlatch Corporation and Stimson, the endowments pay approximately \$483,000 per year. Controller Johnson referred to Intermountain Forest Association's letter which contains discussion about interface lands, other non-forested lands, that do not share in the assessment, and a recommendation that legislation be pursued in the next session to change that. He asked if legislation had been pursued previously. Director Wiggins responded yes, and it was a controversial idea. Landowners who do not currently pay are reluctant to sign on. The Department does respond to fires that are not on forested land primarily because of the threat those fires pose to forested land. Controller Johnson asked if non-forested land, or interface land, is a growing acreage. Director Wiggins stated interface lands are increasing. Interface simply refers to those areas of the wildland with houses.

BOARD ACTION: A motion was made by Attorney General Wasden to move the Department's recommendation. Controller Johnson seconded the motion. The motion carried on a vote of 3-0, with Secretary of State Ysursa and Superintendent Howard being absent for this meeting.

- **INFORMATION**

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

- 12. Land Exchange Status Report**
- 13. Increases in 2007 Cottage Site Rent**

Upon unanimous consent, the Board resolved into Executive Session at 10:13 a.m.

- **EXECUTIVE SESSION**

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

Upon unanimous consent, the Board resolved into Regular Session at 10:47 a.m. No actions were taken by the Board during the Executive Session.

There being no further business to come before the Board, the meeting adjourned at 10:48 a.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/ Winston A Wiggins

Winston A Wiggins
Director

The above-listed final minutes were approved by the State Board of Land Commissioners at the August 8, 2006 regular Land Board meeting.