



STATE BOARD OF LAND COMMISSIONERS

C. L. "Butch" Otter, Governor and President of the Board

Ben Ysursa, Secretary of State

Lawrence G. Wasden, Attorney General

Donna M. Jones, State Controller

Tom Luna, Superintendent of Public Instruction

George B. Bacon, Secretary to the Board

Final Minutes  
 Regular Land Board Meeting  
 August 16, 2007

The regular meeting of the Idaho State Board of Land Commissioners was held on Thursday, August 16, 2007 in Boise, Idaho. The meeting began at 9:30 a.m. in the second floor courtroom of the Borah Post Office building. The Honorable Governor C. L. "Butch" Otter presided. The following members were present:

Honorable Secretary of State Ben Ysursa  
 Honorable Attorney General Lawrence G. Wasden  
 Honorable Superintendent of Public Instruction Tom Luna – left the meeting at 12:26 p.m.

Secretary to the Board Director George Bacon

State Controller Donna Jones was absent for this meeting.

• **CONSENT**

A motion was made by Attorney General Wasden to approve the Consent Agenda in its entirety. Superintendent Luna seconded the motion. The motion carried on a vote of 4-0, with Controller Jones absent for this vote.

**1. Director's Report – approved**

- A. Interest Rate on Department Transactions – July 2007
- B. Timber Sale Official Transactions – June 26, 2007 through July 26, 2007
- C. Timber Sale Activity Report
- D. Legal Matter Summary
- E. Bureau of Surface and Mineral Resources, Official Transactions – June 2007
- F. Fire Season Report – *as of July 31, 2007, acres protected by the State, including private, Federal and State-owned acreages, totals approximately 62.6 thousand acres; fire cost to date is approximately \$18.6 million net.*
- G. Bureau of Real Estate, Official Transactions – May, June 2007

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

NORTH OPERATIONS

A. Lion Park	CR-10-0358	1,150	MBF	Bonner
B. Cougar Hunt	CR-10-0370	2,500	MBF	Bonner/Boundary

C. Dry Wash	CR-20-0265	13,862	TONS	Bonner
D. Pierce-Olson	CR-30-0527	5,125	MBF	Benewah/Shoshone
E. Syringa	CR-30-0546	4,425	MBF	Benewah
F. Capitol Porcelain	CR-31-0007	1,265	MBF	Kootenai
G. Riswold Ridge	CR-41-0035	3,685	MBF	Latah

SOUTH OPERATIONS

H. Old Maggie Road	CR-42-5026	4,055	MBF	Idaho
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*DISCUSSION:* Director Bacon stated sales B, F and H contain clearcuts. In each case the clearcuts are silviculturally justified due to circumstances such as the wrong species growing at the location, trees decadent from various root rots and disease, and/or the absence of enough trees to conduct seed tree harvests. Director Bacon noted that sale C is a ton wood sale. This material is usually smaller and is used for small sawlogs and pulp. Sale E consists of a large component of blowdown timber that needs to be marketed as soon as possible before it deteriorates. A one-week advertisement is being requested on this sale.

Governor Otter noted that the Forest Health Act contains a categorical exclusion option for the forester to make a decision on some of the operations and activities that have to take place immediately due to impending bug problems or deterioration of the resource. He asked if the State has similar options. Director Bacon stated Idaho Code requires the timely and prompt salvage of distressed timber on all lands. The Department does not have the same burdens as the federal counterparts, such as required pre-work, et cetera. The State can move forward to bring timber to market.

**3. Disclaimer of Interest for the Former Bed of the Boise River, Canyon County (Town Ranch, LP, Caldwell) – Staffed by Keith O'Connor, Bureau of Real Estate – approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for one parcel totaling 25.78 acres of the former bed of the Boise River and to require Town Ranch, LP, to pay a fee of \$600.00 to the Department of Lands for this transaction.

*DISCUSSION:* Attorney General Wasden asked if the private party agreed to the 25-foot easement. Director Bacon stated the applicant agreed to the easement.

Governor Otter asked if this disclaimer is within the metes and bounds. Secretary of State Yursa stated that all disclaimers are identified by metes and bounds.

*BOARD ACTION:* Approved.

**4. Request for Approval to Complete a Land Exchange between the City of Twin Falls and Casper Southgate, LLC – Staffed by Dennis Bowyer, Parks and Recreation Director, City of Twin Falls – approved**

*DEPARTMENT RECOMMENDATION:* The City of Twin Falls recommends Land Board approval to complete the exchange as proposed on the condition that the land acquired by the City must be kept and maintained as a park for the free use and enjoyment of the public as set forth in H.B. No. 50, Ch. 24, 1933 Session Law, Page 31.

*DISCUSSION:* Attorney General Wasden noted for the record that he witnessed Mr. Knievel's attempted jump over the Snake River Canyon.

*BOARD ACTION:* Approved.

**5. Agreement for Purchase of Conservation Easement – Project: Clifty Mountain Foothills** – Staffed by Craig Foss, Chief, Bureau of Forestry Assistance – **approved**

*DEPARTMENT RECOMMENDATION:* Authorize Idaho Department of Lands to acquire a conservation easement on 1,642.5 acres.

*DISCUSSION:* None.

*BOARD ACTION:* Approved.

**6. Request by the Department of Health and Welfare to Sell Property Without Reservation of Mineral Rights** – Staffed by Al Drennen, Operational Services Bureau Chief, Department of Health and Welfare, and Tim Davis, Deputy Attorney General, Office of the Attorney General – **approved**

*DEPARTMENT RECOMMENDATION:* That, pursuant to I.C. § 47-701, the State Board of Land Commissioners identify the Property owned by the Department of Health and Welfare and located at 2405 and 2475 Leslie Avenue in Idaho Falls, Idaho as having the potential highest and best use for development purposes, including residential, commercial or industrial purposes to allow the sale thereof without reservation of mineral rights.

*DISCUSSION:* Governor Otter asked for information about the previous use of this property. Al Drennen, Department of Health and Welfare, stated there are two facilities in Idaho Falls located on about 3.74 acres. The facilities were constructed in late 1969 and early 1970. The Department of Health and Welfare's method of business has changed over the last 35 years moving it from a center-based service process for developmentally disabled to a more natural environment type of service delivery. Over the last few years the Department of Health and Welfare has been pursuing the sale of this property. Last October the Department came before the Land Board and received approval to move forward on a quit claim for the property. However, one detail that was overlooked at that time was the removal of the reservation of mineral rights.

*BOARD ACTION:* Approved.

**7. Notice of Rulemaking to Promulgate a Proposed Rule to Repeal IDAPA 20.02.06 – Administration of Idaho's Reforestation Law** – Staffed by Ron Litz, Assistant Director, Forestry and Fire – **approved**

*DEPARTMENT RECOMMENDATION:* Direct IDL to submit a notice of rulemaking and the proposed rule to repeal IDAPA 20.002.06 to OAR by August 24, 2007, for publication in the Idaho Administrative Bulletin on October 3, 2007.

*DISCUSSION:* Governor Otter asked if anyone present wished to provide comment. No one expressed an interest in speaking to this item.

Secretary of State Ysursa asked what the cost is to repeal a rule through the rulemaking process compared to running legislation declaring that rules pertaining to the repealed Act are null and void. It is his intention that the statute would state that the IDAPA code is stricken. Director Bacon stated he could research the matter for specific costs, but he noted there is an annual cost associated with keeping the rules published.

*BOARD ACTION:* Approved.

**8. Notice of Rulemaking to Promulgate a Proposed Rule to Repeal 20.02.12 – Rules of the Community and Urban Forestry Trust Account** – Staffed by Ron Litz, Assistant Director, Forestry and Fire – **approved**

*DEPARTMENT RECOMMENDATION:* Direct IDL to submit a notice of rulemaking and the proposed rule repealing IDAPA 20.02.12 to OAR by August 24, 2007, for publication in the Idaho Administrative Bulletin on October 3, 2007.

*DISCUSSION:* Governor Otter asked if anyone present wished to provide comment. No one expressed an interest in speaking to this item.

*BOARD ACTION:* Approved.

**9. Minutes – approved**

A. Regular Land Board Meeting – July 10, 2007

• **REGULAR**

**10. Endowment Fund Investment Board** – Presented by Larry Johnson, Manager of Investments

Mr. Larry Johnson, Manager of Investments, provided the following report:

- Agricultural College Endowment Fund assets have been moved to a one hundred percent bond fund to be compliant with the federal Morrill Act. However, an amendment to the Admissions Act recently passed Congress which will enable the EFIB to move the funds back to the general endowment investment pool. Idaho's Congressional delegation worked very hard in getting the law passed. In addition, four State of Idaho employees played a key role in that effort. Those who participated included: Clive Strong and Julie Weaver of the Attorney General's office, and Kent Nelson and Marty Peterson of the University of Idaho.

*DISCUSSION:* Attorney General Wasden noted that due to the actions of these individuals, Congress moved with lightning speed. Congressman Mike Simpson introduced the bill in early July, and the bill was signed into law a week ago. That kind of speed is unheard of and highlights the great effort by a lot of staff in State government, and by our Congressional delegation, to fill a very important need for the endowment. He congratulated everyone involved in the effort.

- The Endowment Fund Investment Board, together with its Asset Consultant, will be working over the next nine months to rethink the asset mix of the endowment funds as well as the associated spending policy.

A. Investment Report

- Fiscal year-to-date return for July was a -1.3%;
- Active investment managers have been outperforming their benchmarks.

B. Request for Approval of Distributions to Endowment Beneficiaries for Fiscal Year 2009

*EFIB RECOMMENDATION:* The Endowment Fund Investment Board recommends that distributions be based on the Spending Policy used last year: 5% of the last three years' average

balance of the Permanent Fund of each of the endowments, except for the Penitentiary and School of Science, which are at a 4.1% rate. This results in an approximately 10% increase for each endowment, for a total of \$42.4 million in FY2009, compared to the \$38.6 million distribution for FY2008.

The fiscal 2009 distributions appear to be achievable and represent an appropriate balance between the interests of current and future beneficiaries, taking into account the current level of earnings reserves and past and expected fund revenues.

Also, the recommended 2009 distributions will likely permit growth of reserves for each endowment fund. No transfer to the permanent fund for any endowment is recommended at this time to ensure maintenance of sufficient reserves to protect future distributions in the event of a significant downturn in timber revenues or equity markets.

	<b><u>Approved</u></b> <b><u>FY2008</u></b>	<b><u>Proposed</u></b> <b><u>FY2009*</u></b>	<b><u>% Change</u></b>	<b><u>\$ Change</u></b>
Public Schools	26,995,000	29,692,900	10.0%	2,697,900
Ag College	725,000	794,000	9.5%	69,000
Charitable Instit.	2,582,000	2,826,100	9.5%	244,100
Normal School	2,310,000	2,534,100	9.7%	224,100
Penitentiary	728,000	794,000	9.1%	66,000
School of Science	2,138,000	2,332,300	9.1%	194,300
State Hosp. South	1,149,000	1,258,700	9.5%	109,700
University	1,990,000	2,181,000	9.6%	191,000
	<u>38,617,000</u>	<u>42,413,100</u>	<u>9.8%</u>	<u>3,796,100</u>

\* 5% of 3-year average permanent fund balance (4.1% for Penitentiary and School of Science)

*DISCUSSION:* Governor Otter asked if the EFIB ever cautions beneficiaries about how much of this distribution should be spent on ongoing, as opposed to one-time, expenditures. Mr. Johnson responded that beneficiaries have indicated they would like to spend all of the distribution on ongoing expenditures. They prefer that strong reserves be maintained so the chances of ever having a cut are low.

Governor Otter noted that historically records show there have been times when the distributions have been considerably reduced. He requested that the EFIB engage in debate on what percentage should be spent on ongoing, for example, no more than 90%, and that the EFIB, or Mr. Johnson, then return to the Land Board to share their findings. Mr. Johnson stated the EFIB will consider Governor Otter's suggestion in their work on asset mix and spending policy over the next nine months.

Attorney General Wasden noted it appears about three years' worth of distributions is currently in the reserve fund, in comparison to the proposed distribution, and that amount appears to be an appropriate level. If a downturn in the market occurs, a sufficient cushion exists to pay out in the succeeding years. During those succeeding years, information about the reasons for the downturn would be determined, and possibly an estimation of how long the downturn may last, to allow the EFIB to caution and inform those beneficiaries about what future distributions might be. Mr. Johnson concurred. He stated if a downturn starts to last too long, or a permanent impairment of the timberland asset occurs causing a reduction in timber income, then the EFIB has two or three years to prepare beneficiaries to react to that circumstance.

*BOARD ACTION:* A motion was made by Secretary of State Yursa to move the EFIB recommendation that the distribution policy from the previous years be continued, which will result

in a 10% increase raising the distribution from \$38.6 million to \$42.4 million in the next fiscal year. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0, with Controller Jones being absent for this vote.

**11. Department of Lands, Fiscal Year 2009 Budget Enhancement Proposal – Presented by Jon Pope, Division Administrator, Support Services, and Lisa Johnson, Financial Officer**

*DEPARTMENT RECOMMENDATION:* Direct the Department to include the supplemental and enhancement requests in the FY09 budget proposal due on September 4, 2007.

*DISCUSSION:* Secretary of State Ysursa expressed his pleasure to see the Airport 7 parcel listed. He believes this parcel has potential to bring a good financial return to the endowment at a future time.

Superintendent Luna asked about priority number three, a request for \$1.5 million additional funds from the endowment. He noted this is about a 10% overall increase. He asked if the intent is to help identify and develop lands that are currently unproductive with the hope of turning those lands into more productive real estate. Director Bacon stated in this case the Department is expanding its knowledge of development lands. The State owns some prime development properties. This budget request would allow the Department to conduct comprehensive planning, and other associated activities, with the counties to make sure that State properties are in the mix of county planning for whatever proposed development use the State desires, and then to perhaps move on from there and actually conduct the entitlement work toward getting an approved plat. The Department would hire contractors from the business community to do this work. The anticipation is that once the Department receives an approved plat either land sale or exchange could be considered. These actions would increase the State's investment fivefold.

Superintendent Luna asked if this budget request, then, would be for platting parcels. Director Bacon stated yes. Superintendent Luna asked what happens to the unused spending authority. He stated it is important that this be tracked separately, not within the Department's budget, and that the extra revenue generated also is reported separately to allow the Board to see the expected return on the annual investment. Director Bacon agreed and added any unused money would be reverted to the earnings reserve account.

*BOARD ACTION:* A motion was made by Attorney General Wasden to move the Department's recommendation. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 4-0, with Controller Jones being absent for this vote.

**12. Legal Research to Determine the Feasibility of "Pooling" the Small Endowments – Presented by Kathy Opp, Deputy Director**

*DEPARTMENT RECOMMENDATION:* Direct the Department to engage in a professional services agreement under the Board's contracting authority to determine the feasibility and means to "pool" the management and administration of all endowment trust accounts, except the Public School Endowment, which shall remain separate.

*DISCUSSION:* Governor Otter asked if the estimated land value is based upon annual return or market. Deputy Director Opp stated real estate professionals were contracted to visit each of the Department's fourteen supervisory areas to analyze sale and business transactions. Five plots within each asset type were selected on each administrative area. While it was not a 100% review of each property on the areas, it should provide a good estimate of value.

Attorney General Wasden stated this area of law is very technical and specialized. The Office of the Attorney General does not have the appropriate expertise to provide proper advice on this point, and, therefore, believes that going to outside counsel would be of assistance.

Secretary of State Ysursa asked if other states have pooled endowments. Deputy Director Opp stated some states have management over other endowments. Some are trust lands and some are public trust lands. Deputy Director Opp stated to her knowledge no other state has entertained this concept of pooling the smaller endowments to get the efficiencies out of smoothing the revenue stream.

Governor Otter asked if input has been solicited from the beneficiaries on this proposal. Deputy Director Opp responded that the beneficiaries have not been polled although this topic has been discussed with the Endowment Reform Review Task Force. The Task Force believes it is important to complete the research first to determine the feasibility and then to take the proposal to the beneficiaries for discussion. Governor Otter asked Deputy Director Opp to provide a review of the beneficiaries' comments to the Land Board when available.

*BOARD ACTION:* A motion was made by Attorney General Wasden to adopt the Department recommendation. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 4-0, with Controller Jones being absent for this vote.

**13. Asset Management Plan Completion** – *Presented by Kathy Opp, Deputy Director*

*DEPARTMENT RECOMMENDATION:* (1) Direct the Department to proceed editing the most recent asset management plan document consistent with the revised outline approved June 2006; (2) Recharge the Task Force by appointing the replacement and new members identified in Attachment 1. (3) Direct the Task Force to contact the remaining members of the 2001 citizen ad hoc committee and request a review of business plans, reports and measures defined by the Department and used in various planning documents, process controls and policy. (4) Direct the Department and the Task Force to work cooperative to define and cross check a comprehensive legislative package to complete land management endowment reform objectives; (a) Package target date is for the 2010 legislative session; (b) A minimum 1 year advance stakeholder education plan is required.

*DISCUSSION:* For clarification, Attorney General Wasden stated it is his understanding that a request is being made for legislative leadership to determine who the appropriate person would be to represent them on the Endowment Reform Review Task Force. Deputy Director Opp stated that is correct.

*BOARD ACTION:* A motion was made by Attorney General Wasden to move the Department's recommendation. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 4-0, with Controller Jones being absent for this vote.

(At 10:30 a.m., a brief recess was taken.)

(The meeting resumed at 10:44 a.m.)

**14. Authorization to Initiate Proposed Rulemakings for IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho, and IDAPA 20.03.17, Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands** – *Presented by Mike Murphy, Bureau Chief, and Eric Wilson, Program Manager, Bureau of Surface and Mineral Resources*

*DEPARTMENT RECOMMENDATION:* Direct the Department to initiate proposed rulemaking for IDAPA 20.03.04, "Rules for the Regulation of Beds, Waters and Airspace Over Navigable Lakes in the State of Idaho," and IDAPA 20.03.17, "Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands," with the negotiated rules.

*DISCUSSION:* A transcript is available upon written or email request to Susan Terry, Department of Lands, Post Office Box 83720, Boise, Idaho 83720-0050, email [sterry@idl.idaho.gov](mailto:sterry@idl.idaho.gov).

*BOARD ACTION:* A motion was made by Attorney General Wasden to move adoption of the Department's recommendation to direct the Department to initiate proposed rulemaking for IDAPA 20.03.04, "Rules for the Regulation of Beds, Waters and Airspace Over Navigable Lakes in the State of Idaho," and IDAPA 20.03.17, "Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands" with the negotiated rules. Secretary of State Ysursa seconded the motion adding it is implicit in the motion that a public hearing will be held. Attorney General Wasden accepted that addendum to the motion. The motion carried on a vote of 4-0, with Controller Jones being absent for this vote.

- **INFORMATION**

No Land Board action is required on the Information Agenda.

**15. Legislation Ideas 2008 – Staffed by George Bacon, Director**

- 38-1203 - Clean-up language about membership requirements of the State Board of Scaling Practices. The current legislation references organizations that have changed their name. Also clarify that it is the *Idaho* Board of Scaling Practices.
- 38-1204 - Modify qualifications for membership of the State Board of Scaling Practices to allow broader participation.
- 58-307 - Provide for leasing cottage sites on all state endowment lands for periods of time determined by the State Board of Land Commissioners. In this way, cottage site leases could coincide with thirty-year home mortgages.
- 55-2708 - Provide for binding arbitration in disputes over float home rental rate increases. Reasonableness in rate increases will be based on the marina owner's costs of owning or controlling the uplands, plus profit, prorated across the marina. The opportunity costs experienced by not converting the uplands to uses other than supporting a marina may also be considered.
- 59-1607 - Provide that all classes of employees may be paid for overtime work during a disaster or emergency with the approval of the Board of Examiners. This would allow employees classified as "executive" to be paid overtime in fire suppression.

*DISCUSSION:* Director Bacon noted that Idaho Code 55-2708 is listed. The Department is moving forward with floathome rental rate increases and is trying to bring some definition of reasonableness into the Floathome Residency Act as directed by the Board at the previous meeting.

Secretary of State Ysursa stated Idaho Code 58-307 is the actual code that will affect the cottage site leases. It also affects grazing leases and other items. He asked if the grazing subcommittee is considering any changes. He noted that earlier the Board voted on a change for cottage sites only. He asked if the other leases should also be modified or would the legislative change allow the Board maximum flexibility of leasing up to the period it deemed necessary. Director Bacon stated the Department discussed those kinds of issues with Land Board staff and a strategic decision was made to move forward with a more holistic approach. Legislation would be brought forward based on recommendations received from the Endowment Reform Review Task Force. It was decided that moving forward with longer term leasing for cottage sites as a stand alone, residential leasing

specifically, would be beneficial. Discussions with user groups and other interests on other types of leasing have not been fully vetted at this time.

**16. Airport 7 Update** – Staffed by Mike Murphy, Chief, Bureau of Surface and Mineral Resources

*DISCUSSION:* None.

**17. Cottage Site Comment Letters – Update** – Staffed by Craig Thompson, Bureau of Surface and Mineral Resources

*DISCUSSION:* None.

**18. Bureau of Forestry Assistance Overview** – Staffed by Craig Foss, Chief, Bureau of Forestry Assistance

*DISCUSSION:* Governor Otter asked if the Department has talked with private insurance companies about this program. Mr. Foss stated the issue is being addressed largely through the Department's fire program. A lot of changes are being seen in the insurance industry throughout the west where landowners are being requested to verify that sufficient access exists for fire protection. Governor Otter suggested the Department could sponsor a seminar for insurance agents to express the amount of risk and the danger that exists.

At 11:33 a.m. a motion was made by Superintendent Luna to resolve into Executive Session. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0, with Controller Jones being absent for this vote.

• **EXECUTIVE SESSION**

- A. To Consider Personnel Matters [[Idaho Code § 67-2345\(1\)\(b\)](#)]
- B. To Acquire An Interest in Real Property which is not owned by a Public Agency [[Idaho Code § 67-2345\(1\)\(c\)](#)]
- C. To Consider Records that are Exempt from Disclosure [[Idaho Code § 67-2345\(1\)\(d\)](#)]
- D. 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\(1\)\(f\)](#)]

At 12:31 p.m. a motion was made by Attorney General Wasden to resolve into Regular Session. Secretary of State Ysursa seconded the motion. The vote carried on a vote of 3-0, with Controller Jones and Superintendent Luna being absent for this vote.

**ACTION TAKEN ON ITEM NOT ON THE AGENDA**

*BOARD ACTION:* A motion was made by Attorney General Wasden to move that the Board direct the Department of Lands to do three things. First of all, to not enforce the qualified bidder requirements of the Timber Supply Stabilization Act based upon the Attorney General's opinion rendered pursuant to that Act that the Act violates the State and Federal Constitutions. Two, that the Department so advise the legislative leadership of the Board's action and request the legislative repeal of the Act, and, three, to take such other action as may be required to address

the legal deficiencies of the Act. Secretary of State Ysursa seconded the motion. Subsequently, Attorney General Wasden modified his motion by stating that in addition to items two and three in that motion, that the Board make an amendment to item one because of the high level of legal questions regarding the constitutionality of those provisions that the Department not enforce the qualified bidder requirements of the Timber Supply Stabilization Act. Secretary of State Ysursa consented to the modification of the motion. The motion carried on a vote of 3-0, with Controller Jones and Superintendent Luna being absent for this vote.

There being no further business to come before the Board, at 12:35 p.m. a motion was made by Secretary of State Ysursa to adjourn. Attorney General Wasden seconded the motion. The motion carried on a vote of 3-0, with Controller Jones and Superintendent Luna absent for this vote. The meeting adjourned at 12:35 p.m.

IDAHO STATE BOARD OF LAND COMMISSIONERS

/s/ C. L. "Butch" Otter

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

George B. Bacon  
Director

The above-listed final minutes were approved by the State Board of Land Commissioners at the September 20, 2007 regular Land Board meeting.