



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
July 10, 2007

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, July 10, 2007 in Boise, Idaho. The meeting began at 9:14 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 – via conference phone

Honorable State Controller Donna M. Jones

Honorable Superintendent of Public Instruction Tom Luna – left the meeting at 9:30 a.m.

Secretary to the Board Director George Bacon

INTRODUCTION

Director Bacon welcomed Jay Jensen to the meeting. Mr. Jensen is the Executive Director of the Western Forestry Leadership Coalition based in Lakewood, Colorado. The Department of Lands is a member of the WFLC. The Coalition assists the Department with national issues, both in fire and forestry, cooperative forestry and assistance to landowners. Mr. Jensen is attending this meeting as an observer.

• **CONSENT**

A motion was made by Controller Jones to approve the Consent Agenda in its entirety. Attorney General Wasden seconded the motion. The motion carried on a vote of 5-0.

• **CONSENT**

1. **Director's Report** – approved

A. Interest Rate on Department Transactions – June 2007

B. Timber Sale Official Transactions

C. Timber Sale Activity Report – WITHDRAWN

D. Legal Matter Summary

E. Bureau of Surface and Mineral Resources, Official Transactions – May 2007

F. Fire Season Report

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

NORTH OPERATIONS

A. Keokee Up	CR-10-0364	1660	MBF	Bonner
B. Housing Interface	CR-10-0373	800	MBF	Bonner
C. Trout Creek Helo	CR-20-0249	2000	MBF	Bonner
D. Little Pine II	CR-20-0254	1700	MBF	Bonner
E. Prater West	CR-20-0272	2000	MBF	Bonner
F. Hello Ducky	CR-21-3015	2960	MBF	Boundary
G. Greased Sawlog	CR-30-0519	3070	MBF	Benewah
H. Patch Sawlog	CR-30-0537	5300	MBF	Shoshone
I. Twin Creek Sawlog	CR-30-0541	1065	MBF	Clearwater/Shoshone
J. Bull Run	CR-31-0008	3095	MBF	Kootenai
K. Ponderosa Pole	CR-41-0027	550	MBF	Latah
		208450	LF	Latah

SOUTH OPERATIONS

L. Pierce Creek South	CR-40-4230	4230	MBF	Clearwater
M. Maggie's Face	CR-42-5024	1250	MBF	Idaho
N. Ford Contour	CR-42-5025	4260	MBF	Clearwater
O. Spruced Up Hat	CR-50-0136	5059	MBF	Idaho
P. Sylvan Wagon	CR-50-0137	10171	MBF	Valley/Adams
Q. Cow Camp	CR-20-0249	3200	MBF	Boise

DISCUSSION: Director Bacon noted that sales A, C and F will use helicopter logging. The Department is asking for Board approval on these sales and, if the sales do not sell at the appraised price, the Department will reappraise and sell without returning to the Board for further approval. Items G and I are timber sales with clearcuts. Item G has a 20-acre and a 54-acre clearcut. Item I contains a 25-acre clearcut. That silvicultural prescription is necessary in both cases due to disease and not enough seed trees to have a genetically viable reproductive opportunity on the sites. Timber sale H is blowdown material from a wind storm earlier this year that needs to move quickly. The Department is asking for a one week advertising period, which is requested from time to time in those sorts of perishable situations. The concern is the possibility of insect infestation.

3. Disclaimer of Interest for the Former Bed of the Boise River, Canyon County (Caldwell 260) – Staffed by Keith O'Connor, Bureau of Real Estate

DEPARTMENT RECOMMENDATION: Direct the Department to issue a disclaimer of interest for one parcel totaling 10.15 acres of the former bed of the Boise River and to require Caldwell 260, LLC to pay a fee of \$600.00 to the Department of Lands for this transaction.

BOARD ACTION: Approved.

4. Disclaimer of Interest for the Former Bed of the Payette River, Gem County (Finney) – Staffed by Keith O'Connor, Bureau of Real Estate

DEPARTMENT RECOMMENDATION: Direct the Department to issue a disclaimer of interest for one parcel totaling 11.26 acres of the former bed of the Payette River and to require Lawrence Finney to pay a fee of \$600.00 to the Department of Lands for this transaction.

BOARD ACTION: Approved.

~~5. Agreement for Purchase of Conservation Easement. Project: Clifty Mountain Foothills
—Staffed by Craig Foss, Chief, Bureau of Forestry Assistance~~ THIS AGENDA ITEM WITHDRAWN.

6. Minutes – approved

A. Regular Land Board Meeting – June 12, 2007

• REGULAR

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

- A. EFIB Manager's Report
- B. Investment Report

DISCUSSION: Mr. Johnson reported that:

- Fiscal year-to-date returns through June 30 are 16.5%;
- Managers are performing as expected;
- It was a good year on the investment side from an absolute return standpoint.
- Endowment Fund reserves are strong.
- The EFIB will bring a recommendation to the August 16 Land Board meeting for the FY 2009 distributions.

No action taken on this agenda item.

8. Proposed Meeting Date Change for the Regular Meetings of the State Board of Land Commissioners and the Board of Examiners – Presented by George Bacon, Director

DEPARTMENT RECOMMENDATION: That, beginning with the August 2007 regular meeting of the State Board of Land Commissioners, the regular meetings of the Board will generally fall on the third Thursday of each month to coincide with meetings of the State Board of Examiners. Within this policy it is recognized that the Board can call a regular meeting at any time as prescribed by law and may vary from the third Thursday as deemed necessary.

DISCUSSION: None.

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

At 9:30 a.m., the Board recessed at the direction of the Chair and reconvened at 11:30 a.m. to hear agenda item number 9.

At 11:33 a.m., the Board reconvened.

Present:

C. L. "Butch" Otter, Chair,
Ben Yursa, Secretary of State
Lawrence Wasden, Attorney General – via conference phone
Donna Jones, Controller

Tom Luna, Superintendent of Public Instruction, was absent for this part of the meeting.

9. Cottage Site Lease Auctions – Presented by Mike Murphy, Chief, Bureau of Surface and Mineral Resources

DEPARTMENT RECOMMENDATION: Consistent with the recommendation presented at the June 12, 2007 Land Board meeting, the Department recommends the Board approve the final draft lease document for use with the two new cottage site leases at Priest Lake which will now be set for auction in late September or early October 2007.

DISCUSSION: A transcript is available upon written request to Susan Terry, Idaho Department of Lands, 954 West Jefferson, Boise ID 83720-0050, sterry@idl.idaho.gov, fax (208) 334-3698.

BOARD ACTION: A motion was made by Secretary of State Ysursa to go forward with the auction of the two lots at Priest Lake using the 5% multiplier instead of 6%. Controller Jones seconded the motion. Attorney General Wasden asked for clarification of the motion. His understanding is that the sale of these two leasehold interests will not set the terms for future leases. Secretary of State Ysursa stated it is implicit in his motion that this is not set in stone as there are other issues to be addressed. The record is still open. He hopes to have an informative subcommittee, including additional input, to determine if there are other ideas that can help everyone while still meeting the Board's mandate. With that said, Secretary of State Ysursa restated his motion to move that the Board approve the auction of the two Priest Lake cottage site lots as recommended by the Department, but at a 5% rate. Controller Jones amended her second. The motion carried on a vote of 4-0, with Superintendent Luna absent for this vote.

ADDITIONAL BOARD ACTION: As a continuation of the discussion on agenda item nine, Cottage Site Lease Auctions, Secretary of State Ysursa moved that the Board go on record and direct the Department to seek legislation at the next Legislature to amend Idaho Code 58-307 to not limit the State Land Board to ten years for cottage sites leases but to extend that period of time to a thirty-year lease or something similar. Attorney General Wasden seconded the motion. Controller Jones asked for clarification. Secretary of State Ysursa responded that motion would be to strike the ten-year limitation. Controller Jones concurred with the motion. The motion carried on a vote of 4-0, with Superintendent Luna being absent for this vote.

• **INFORMATION**

No Land Board action is required on the Information Agenda.

10. Western States Land Commissioners Association Conference 2008 – Staffed by Kathy Opp, Deputy Director

DISCUSSION: Controller Jones asked how many people are expected to attend. Deputy Director Opp stated during joint activities, which is typically Sunday evening through Tuesday, about 160-180 people are expected.

Governor Otter congratulated Deputy Director Opp and Director Bacon for their efforts in bringing this meeting to Boise.

11. Land Exchange Activity and Status during FY 2007 – Staffed by Perry Whittaker, Chief, Bureau of Real Estate

• **EXECUTIVE SESSION – DEFERRED**

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\(1\)\(f\)](#)]

There being no further business to come before the Board, at 12:20 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 4-0, with Superintendent Luna being absent for this vote.

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 August 16, 2007 regular Land Board meeting.