



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
March 13, 2007

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, March 13, 2007 in Boise, Idaho. The meeting began at 9:15 a.m. in the second floor courtroom of the Borah Post Office building. The Honorable 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

Secretary to the Board Director George Bacon

Secretary of State Ysursa introduced Julie Hahn, Boise State University.

• **CONSENT**

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

1. **Director's Report** – approved

- A. Interest Rate on Department Transactions – February 2007
- B. Timber Sale Official Transactions – January 27, 2007 through February 23, 2007
- C. Timber Sale Activity Report
- D. Legal Matter Summary
- E. Bureau of Surface and Mineral Resources, Official Transactions – January 2007
- F. Bureau of Real Estate, Official Transactions – Easement – November 2006 through January 2007
- G. Bureau of Real Estate, Official Transactions – Land Sale – November 2006 through January 2007

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

A. Bear Deuce	CR-10-0367	1,165 MBF	Bonner
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3. Application for Riverbed Mineral Lease 9405 – Staffed by Sharon Murray, Minerals Program Manager – approved

DEPARTMENT RECOMMENDATION: Direct the Department to issue the lease for a five-year term subject to the standard lease form.

DISCUSSION: Attorney General Wasden asked if the Department has had any conversations with the Departments of Fish and Game and Environmental Quality, along with other related entities, about environmental problems or possible damage to fish habitat that might be caused by the granting of this mineral lease. Director Bacon stated it is his understanding that all pertinent agencies were contacted and no comments were received. Bob Brammer, Assistant Director, Lands, Minerals and Range, stated in accordance with Idaho Code 47-704, the Department is required to contact the Department of Fish and Game, Department of Water Resources and the Department of Environmental Quality, which the Department did do. No comments were received from any of these agencies. The Department also advertised this application in the Recorder Herald, which is the Salmon, Idaho, local paper, and did not receive any comments from the public or any request for a public hearing.

BOARD ACTION: Approved.

4. Middlestar, LLC – Disclaimer of Interest for the Former Bed of the Snake River, Payette County – 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 0.937 acre of the former bed of the Snake River and to require Middlestar, LLC to pay a fee of \$600.00 to the Department of Lands for this transaction.

BOARD ACTION: Approved.

5. Donald C. and Gayle Mateer – Disclaimer of Interest for the Former Bed of the Snake River, Payette County – 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 0.369 acre of the former bed of the Snake River and to require Donald C. and Gayle Mateer to pay a fee of \$600.00 to the Department of Lands for this transaction.

BOARD ACTION: Approved.

6. Timber License Plate Fee Recommendations – Staffed by Betty Munis, Director, Idaho Forest Products Commission – approved

DEPARTMENT RECOMMENDATION: Direct the Department, in conjunction with the Idaho Forest Products Commission, to proceed with the recommended educational projects.

BOARD ACTION: Approved.

7. Minutes – approved

A. Regular Land Board Meeting – February 13, 2007

- **REGULAR**

8. Endowment Fund Investment Board Manager's Report – Presented by Chris Halvorson, Investment Officer, EFIB

Chris Halvorson of the Endowment Fund Investment Board provided a monthly update:

- The endowment fund has sufficient reserves for 2007-2008 distributions.
- The EFIB met on February 13, 2007. No changes were made to the asset mix or to the investment manager lineup. No significant actions were taken at that meeting.
- Senate Bill 1173 went to the Senate floor with a do-pass recommendation. SB 1173 allows the EFIB to manage other funds with Land Board approval.
- The return for the month was a negative two tenths of one percent. February progressed well until a sharp equity sellout occurred throughout the world.
- The EFIB is ahead of its benchmark return for the month by about twenty-three basis points.
- The fiscal year-to-date return is 9.7%.

No action was taken on this agenda item.

9. Request for Adoption of Formal Policy Regarding Reservation of 25-foot Wide Public Use Right-of-Way Along Navigable Rivers – Presented by Steve Douglas, Operations Chief-South

DEPARTMENT RECOMMENDATION: Direct the Department to reserve a 25-foot wide public use right-of-way along navigable rivers when issuing disclaimers of interest while allowing the Department to propose alternatives to the Land Board due to unusual circumstances. Alternatives to the 25-foot wide public use right-of-way will be presented to the Land Board for approval.

DISCUSSION: A transcript is available upon written request to Susan Terry, Office of the Director, Idaho Department of Lands, 954 West Jefferson Street, Post Office Box 83720, Boise, Idaho 83720-0050

BOARD ACTION: A motion was made by Superintendent Luna to request an Attorney General's opinion before any action is taken by the Board on this agenda item. Secretary of State Ysursa seconded the motion. The motion carried on a vote of 5-0.

- **INFORMATION**

No Land Board action is required on the Information Agenda.

10. Boise Foothills/North Idaho Legislated Land Exchange Status

DISCUSSION: Governor Otter asked if the potential movement of the Boise-to-Bogus Basin Road would affect the ownership and title. He noted that most of the land lays in a big curve. Mr. Whittaker stated the agencies are looking at making a slight change. Approximately 5.44 acres sits on the west side of the center line of Bogus Basin Road. The agreement is being amended. It does not affect the overall values of the parcels.

11. Grazing Fee for Calendar Year 2008

12. Legislative Update

13. Asset Management Presentation

DISCUSSION: Governor Otter commented that the State is starting to see more closures of lands to general public use, such as Potlatch and Boise Cascade lands. With the State having holdings within and around those lands, he anticipates more pressure, abuse and disuse on state lands. He asked if this is something the Asset Management committee has considered. Administrator Kathy Opp stated the committee is looking at how other states are handling what she referred to as incidental recreation. The committee has looked at models in Montana, Utah and Colorado and has found there are different approaches that could be used, such as Memorandums of Understanding with fish, wildlife and parks agencies that would cover all of the endowment lands. Administrator Opp noted that Governor Otter has hit the crux of the matter as to other private landowners who hold intermingled ownerships and who choose to monetize their lands. It puts increasing pressure on endowment lands, both good and bad, and could potentially lose earnings for the State. The committee has not had the opportunity to meet again to strategize about a proposal that it could potentially bring forward to the Board.

Before moving into Executive Session, Governor Otter stated he has received a letter from Dick Barrell concerning lake lots. He asked Director Bacon to draft a reply from the Board to Mr. Barrell and Mr. Clark.

With that, Governor Otter welcomed Director Bacon as the new permanent Director for the Department of Lands. He stated the Board looks forward to a successful relationship with the Director in the management of endowment lands.

At 10:21 a.m. a short recess was taken.

At 10:27 a.m. a motion was made by Controller Jones to resolve into Executive Session. Superintendent Luna seconded the motion. The motion carried on a vote of 5-0.

• 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\(1\)\(a\)](#)]

At 11:12 a.m. a motion was made by Controller Jones to resolve into Regular Session. Secretary of State Yursa seconded the motion. The motion carried on a vote of 5-0.

ITEM NOT ON THE AGENDA

• Director's Salary

DISCUSSION: A transcript is available upon written request to Susan Terry, Idaho Department of Lands, 954 West Jefferson Street, Boise, Idaho 83720-0050.

