



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
November 15, 2007

The regular meeting of the Idaho State Board of Land Commissioners was held on Thursday, November 15, 2007 in Boise, Idaho. The meeting began at 9:04 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 Wasden
Honorable State Controller Donna Jones

Secretary to the Board Director George Bacon

Superintendent Luna was absent for this meeting. Secretary of State Ysursa left the meeting at 10:23 a.m.

For the record, Attorney General Wasden noted that the previous Land Board meeting was held in Lewiston. The meeting was successful and met the requirements set by the Board to hold meetings at different locations. The Board has set a schedule to hold off-site meetings throughout the state twice each year, June and October. Attorney General Wasden has personally received comments indicating public appreciation for the Board meeting in Lewiston.

Governor Otter stated he has been asked about the cost. While he feels the value of moving the meeting around the state is good, he asked the Department to provide soft figures on cost so those questions can be answered. He added, however, that the Board's decision to move around the state would not be based on that cost figure alone.

• **CONSENT**

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

1. Director's Report – approved

- A. Interest Rate on Department Transactions – October 2007
- B. Timber Sale Official Transactions – October 2007
- C. Timber Sale Activity Report
- D. Legal Matter Summary
- E. Bureau of Surface and Mineral Resources, Official Transactions – September 2007
- F. Bureau of Real Estate, Official Transactions, Land Sale – September 2007

G. Bureau of Real Estate, Official Transactions, Easement – September 2007
H. Fire Settlement Information

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

NORTH OPERATIONS

A. Boat Club	CR-20-0270	1250 MBF	Bonner
B. East Purcell Poles	CR-21-3016	85 MBF 79320 LF	Boundary and Bonner
C. Mica Breaks	CR-30-0525	5420 MBF	Shoshone

SOUTH OPERATIONS

D. M.C. Ridge OSR	CR-40-0943	1825 MBF	Clearwater
E. South Shanghai	CR-40-0805	1570 MBF	Clearwater
F. Big Seed OSR	CR-40-0807	1940 MBF	Clearwater

DISCUSSION: Regarding Timber Sale A, Boat Club, Director Bacon stated this sale is on IDL's Pend Oreille Supervisory Area (Sandpoint). Helicopter yarding is involved in this sale and, by previous Board approval, these sales are being offered at minimum pricing. However, it is anticipated this sale likely will not sell at minimum prices, especially with the declining timber market. If the sale does not sell, the Department is asking for permission to reappraise for actual costs and offer this sale again without bringing it back to the Board and incurring a delay in getting the sale to market.

Timber Sale C has an 80-acre clearcut. The sale is on the St. Joe Supervisory Area (St. Maries). The clearcut is necessary due to a high component of disease, including mistletoe, root rot and stem infections. An insufficient number of desirable trees remain to make anything other than a clearcut a viable option.

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

DEPARTMENT RECOMMENDATION: Adopt the proposed rule repealing IDAPA 20.02.06, Administration of Idaho's Reforestation Law.

BOARD ACTION: Approved.

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

DEPARTMENT RECOMMENDATION: Adopt the proposed rule repealing IDAPA 20.02.12, Rules of the Community and Urban Forestry Trust Account.

BOARD ACTION: Approved.

5. Results of Grazing Lease Auction for G-7013 – Staffed by Bob Brammer, Assistant Director, Lands, Minerals, Range – approved

DEPARTMENT RECOMMENDATION: That the Board accept the high bid of \$16,000 for grazing lease G-7013 and offer a ten-year lease to Barbara Farms, LLC, and direct the Department to refund the first year's rental deposit to Tunupa Cattle.

BOARD ACTION: Approved.

6. Results of Grazing Lease Auction for G-8055 – Staffed by Bob Brammer, Assistant Director, Lands, Minerals, Range – approved

DEPARTMENT RECOMMENDATION: That the Board accept the high bid of \$4,500 for grazing lease G-8055 and offer a ten-year lease to Mr. Wilcox and direct the Department to forward payment of \$1,754 to Mr. Free for his creditable improvements.

BOARD ACTION: Approved.

7. Results of Grazing Lease Auction for G-8913 – Staffed by Bob Brammer, Assistant Director, Lands, Minerals, Range – approved

DEPARTMENT RECOMMENDATION: That the Board accept the high bid of \$5,020 for grazing lease G-8913 and offer a ten-year lease to Messrs. Galen and David Williams and direct the Department to forward payment of \$13,295.00 to Burke Ranches, Inc., for their creditable improvements.

BOARD ACTION: Approved.

8. Disclaimer of Interest for the Former Bed of the South Fork Snake River, Bonneville County, Idaho – Staffed by Keith O'Connor, Program Specialist, Bureau of Real Estate – approved

DEPARTMENT RECOMMENDATION: Direct the Department to issue a disclaimer of interest for one parcel totaling 6.48 acres of the former bed of the Snake River and to require Donald W. Burton and Campbell Burton to pay a fee of \$600 to the Department of Lands for this transaction.

BOARD ACTION: Approved.

9. Minutes – approved

A. Regular Land Board Meeting – October 18, 2007

• **REGULAR**

10. Endowment Fund Investment Board Joint Meeting with Land Board – Presented by Larry Johnson, Manager of Investments

EFIB Members Present: Dean Buffington, Chairman; John Taylor, Chairman, EFIB Audit Committee; Richelle Sugiyama

- Mr. Johnson stated the Fund is up 3.5% fiscal year-to-date and had outstanding performance against peers for the quarter ended September;
- EFIB Audit Report (Presented by John Taylor, Chairman, EFIB Audit Committee)
 - The audit was performed by Eide Bailley, a CPA firm;
 - Independent Auditor's Report on financial statements: unqualified opinion – all assets that should be in the fund have been accounted for;
 - Independent Auditor's Report on compliance and internal controls – found no items to report.

Mr. Taylor thanked the EFIB staff for their work. In particular, Mr. Taylor commended Idaho's Congressional staff and the Attorney General's office staff for their work on the Agricultural College issue this year.

No action was taken on this agenda item.

11. Priest Lake Auction Results – Presented by Bob Brammer, Assistant Director, Lands, Minerals, Range, and Mike Murphy, Chief, Bureau of Surface and Mineral Resources

DEPARTMENT RECOMMENDATION: Direct the Department to postpone additional cottage site auctions until the cottage site lease issues related to the 2011 renewals are resolved and market conditions improve.

DISCUSSION: For the record, Secretary of State Ysursa noted he is the Chairman of the Board's Cottage Site Subcommittee. On November 7, Secretary of State Ysursa, along with fellow Subcommittee member Superintendent Tom Luna, listened to public testimony on this issue. Secretary of State Ysursa complimented the cottage site associations for both Priest Lake and Payette Lake for their substantive presentations. He also stated he was impressed with the sincerity of the public comments provided and that those comments would be closely reviewed.

Secretary of State Ysursa noted the Board will be making decisions regarding long-term lease issues and Board policy. The Board will also consider the possibility, if any, of short-term relief to the escalating values, especially at Payette Lake. Secretary of State Ysursa assured those present that the Board is listening. However, the Board at this time is not ready to make a recommendation.

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

✓ Secretary of State Ysursa left the meeting at 9:30 a.m. and returned to the meeting at 9:50 a.m.

12. Authorization to Submit Rulemakings to the 2008 Legislature 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 Eric Wilson, Navigable Waters/Minerals Regulatory Program Manager, Bureau of Surface and Mineral Resources, and Mike Murphy, Chief, Bureau of Surface and Mineral Resources

DEPARTMENT RECOMMENDATION: Direct the Department to submit pending rules 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, to the 2008 legislative session.

DISCUSSION: Governor Otter stated in reviewing the information gathered from the hearings on this matter, there appeared to be no question about the need to increase the lease price to cover administrative fees. However, he noted a difference in opinions related to the definitions of marinas and public use. The definition of a marina seemed to center around whether a one- or two-family facility is considered a marina, thus necessitating fifty percent dedication to public use. He suggested going forward to promulgate the rules for those sections where agreement has been reached and to continue working on those areas where there is disagreement.

Governor Otter asked Director Bacon if the Department has considered subcontracting this function to the Department of Parks and Recreation. Director Bacon stated he believes there would need to be buy-in by upland owners for that kind of a change. However, it is an option that can be considered. Director Bacon feels the real problem for Idaho is a lack of publicly-owned lake front, and that is where the focus needs to be.

Attorney General Wasden asked if the core issue of this dispute is philosophical. Mr. Wilson agreed that, based on the public comments received, a deep philosophical difference exists. The real issue is maintaining some level of future public access. Suggestions, such as offering tax incentives to commercial marinas and adjustments to property taxes, have been made. However, these suggestions are outside of the Department's control. Mr. Wilson stated this rulemaking process is one way the Department can address the preservation of public access into the future.

Mr. Mike Murphy, Chief, Bureau of Surface and Mineral Resources, stated there are a lot of unknowns. One concern that was heard is what happens if a new investor purchases a marina, makes large investments, sells slips and then leaves. In this rulemaking process the Department has tried to structure the proposed rules to prevent that scenario from occurring.

Governor Otter asked for clarification of the relationship between the slip and the uplands. Mr. Murphy stated the slip is available for rent or purchase under the new rules. The marina owner owns the uplands and is the lessee with the Department through an encroachment permit. The public could either purchase a slip under the new rules or rent a slip and that is their relationship to the overall marina. However, in a purchasing situation, the purchaser would also become a part owner of the uplands. A new entity would be formed. The commercial marina owner would create a new entity that would allow the purchasers to collectively hold the uplands and the sold slips. Mr. Wilson noted it is similar to a condominium situation and would be governed under Real Estate law.

Mr. Murphy stated there is a fair amount of information that everyone needs. The Department is in the process of having a study completed on floathome moorage. That study has been expanded to look at all moorages. Information provided by that study will fold into this discussion and will help with understanding the dynamics and needs of marina owners, such as what it takes to operate a facility and impacts in terms of cash flow.

BOARD ACTION: A motion was made by Attorney General Wasden to direct the Department to submit pending rules 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, to the 2008 legislative session. Controller Jones seconded the motion. The motion carried on a vote of 3-0, with Secretary of State Ysursa and Superintendent Luna absent for this vote.

13. Results of Grazing Lease Auction G-5526 – Presented by Bob Brammer, Assistant Director, Lands, Minerals, Range

DEPARTMENT RECOMMENDATION: That the Board reject Lazy Y Ranch's appeal regarding improvement credit valuation on grazing lease G-5526, offer a new ten-year lease to Seid Ranches at their bid of \$1.00 and direct the Department to refund the first year's rental deposit to Lazy Y Ranch.

DISCUSSION: Governor Otter asked if anyone representing Seid Ranches or Lazy Y Ranch was present in the audience. Ms. Debra Ellers, Attorney representing Lazy Y Ranch, came forward.

Governor Otter asked for clarification on the disposition of moneys submitted by potential bidders. He asked if the bidder submits money in good faith, with the intention of bidding, and then is not present at the auction, does the bidder lose the money. Assistant Director Brammer stated as a conflict applicant, the bidder does put up the first year's rent with the application and the Department holds that money. The rules provide that the money can be forfeited if the applicant does not appear at the auction or fails to notify the Department three working days prior to the auction. In this case, Lazy Y notified the Department four working days prior to the auction. Therefore the Department is recommending that Lazy Y's first year's rental be refunded.

Ms. Debra Ellers, Attorney for Lazy Y Ranch, stated there is a threshold interest in terms of the \$78,000 creditable improvement issue. She referred to Lazy Y Ranch's July 19, 2007 letter wherein Lazy Y Ranch objected to the valuation. It is Lazy Y Ranch's opinion that a twenty-one day hearing process should have ensued. Ms. Ellers provided a handout containing photos of the improvements. Ms. Ellers stated that Lazy Y Ranch's letter of July 19 specifically objected to several of the improvement credits. Ms. Ellers noted that a number of the improvements are unusable, non-functioning or old.

Ms. Ellers stated Lazy Y Ranch kept the Department apprised of its intention and goals in this matter. The Department was notified that Lazy Y Ranch felt there was a threshold issue as to the improvement credits and asked for a postponement of the auction. The Department refused the request. For the record, Ms. Ellers noted that Lazy Y Ranch did submit the ten percent improvement credit.

Assistant Director Brammer added that the Department recently received another letter from Lazy Y. In that letter, Lazy Y objected to the Department's recommendation, basing their objection on the issues raised in previous letters. Lazy Y asked that the Land Board reject the Department's recommendation and uphold Lazy Y's appeal.

BOARD ACTION: A motion was made by Attorney General Wasden that the Board adopt the Department recommendation that the Board reject Lazy Y Ranch's appeal regarding improvement credit valuation on grazing lease G-5526, offer a new ten-year lease to Seid Ranches at their bid of \$1.00 and direct the Department to refund the first year's rental deposit to Lazy Y Ranch. Controller Jones seconded the motion. The motion carried on a vote of 4-0, with Superintendent Luna being absent for this vote.

14. Results of Grazing Lease Auction G-3043 – Presented by Bob Brammer, Assistant Director, Lands, Minerals, Range - WITHDRAWN

DEPARTMENT RECOMMENDATION: That the Board reject the high bid of \$1,500 submitted by Lazy Y Ranch for grazing lease G-3043 and offer a new ten-year lease to Klaveano Ranches, Inc., at their bid of \$1,200 and direct the Department to refund the first year's rental deposit to Lazy Y Ranch.

DISCUSSION: Attorney General Wasden stated in his review of this agenda item, he discovered that Lazy Y Ranch had been properly notified on November 1 of today's meeting. Unfortunately, Lazy Y had not received the substantive financial analysis regarding this item in a timely manner. Attorney General Wasden stated that due process requires notice and opportunity for meaningful hearing. In order for a meaningful hearing to be conducted, Lazy Y Ranch would have to have this information with sufficient time to prepare properly. He requested that this agenda item be withdrawn.

BOARD ACTION: By unanimous consent, this agenda item was withdrawn. Superintendent Luna was absent for this vote.

15. Consolidation of IDAPA 20.02.09, Method of Selling Pole-Quality Western Red Cedar; IDAPA 20.02.10, Rules for Selling of Forest Products on State-Owned Endowment Land; and IDAPA 20.02.11, Timber Stabilization Act of 1989 on State Forests into a Single New IDAPA Rule – Presented by Ron Litz, Assistant Director, Forestry and Fire

DEPARTMENT RECOMMENDATION: Direct the Department to enter into the negotiated rulemaking process to repeal IDAPA 20.02.09, 20.02.10 and 20.02.11 and to consolidate elements of the three existing IDAPA rules into one consolidated rule.

DISCUSSION: Governor Otter asked that the Department keep the rules and code together so that the Board does not have to review the Rules and then separately go to Idaho Code to understand what needs to be done. Assistant Director Litz stated that is the Department's intent.

BOARD ACTION: A motion was made by Controller Jones that the Department be directed to enter into the negotiated rulemaking process to repeal IDAPA 20.02.09, IDAPA 20.02.10 and IDAPA 20.02.11 and to consolidate elements of the three existing IDAPA rules into one consolidated rule. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0, with Superintendent Luna being absent for this vote.

16. Asset Management Plan Update – Presented by Kathy Opp, Deputy Director

DEPARTMENT RECOMMENDATION: Approve the asset management plan sections as presented.

DISCUSSION: Controller Jones commended Director Bacon, Deputy Director Opp and Department staff for their work on the Asset Management Plan. She believes the Plan will be a tremendous asset for both the Board members and the Department. Attorney General Wasden echoed those sentiments. He stated this is a project that the Board requested from the Department. The Board set time limits within which this was to be accomplished and has seen tremendous effort on behalf of Director Bacon and Deputy Director Opp. He thanked Department staff for their involvement in what is a very critical function of the Board in setting the pathway for the future. Governor Otter also agreed with the comments made. He thanked Director Bacon and Deputy Director Opp for the tremendous job done in a short amount of time.

BOARD ACTION: A motion was made by Controller Jones that the Board accept the new additions to the Asset Management Plan. Attorney General Wasden seconded the motion. The motion carried on a vote of 3-0, with Superintendent Luna and Secretary of State Ysursa being absent for this vote.

✓ Secretary of State Ysursa left the meeting at 10:23 a.m. and was absent for the remainder of the meeting.

• **INFORMATION**

No Land Board action is required on the Information Agenda.

17. North Rim Park – Staffed by Kate Langford, Land Use Planner, Strategic Business Unit, IDL

Ms. Kate Langford, Senior Land Use Planner, Department of Lands, provided background information.

DISCUSSION: Controller Jones commented that she has had the opportunity to visit this site. She feels the site has tremendous commercial development potential if some of the other goals are met, and she is excited about the possibilities.

Audience with the Board: Debbie Dane, Executive Director, Southern Idaho Tourism

Ms. Dane introduced presentation team members:

- ❑ Con Paulos, President and CEO of Con Paulos Pontiac, Chevrolet, Mazda of Jerome and Twin Falls counties, and Chairman, Idaho Workforce Development Council
- ❑ Lori Armstrong, Acting Associate District Manager, Twin Falls District, Bureau of Land Management
- ❑ Jerome County Commissioners
 - Charles Howell, Chairman
 - Diane Obenauer, Commissioner
 - Joe Davidson, Commissioner

- ✓ Former Jerome County Commissioner Roy Prescott was also present. Ms. Dane noted that Mr. Prescott was, in fact, the Jerome County Commissioner who presented this mission to the Land Board in 1998.

Ms. Dane introduced a video presentation entitled *This is North Rim Park*.

Audience with the Board: Con Paulos, North Rim Park Project

Mr. Con Paulos, President and CEO of Con Paulos Pontiac, Chevrolet, Mazda of Jerome and Twin Falls counties, and Chairman, Idaho Workforce Development Council, addressed the Board.

Mr. Paulos stated this project has been driven by public interest from its inception. The commercial value of this land is close to zero because no water rights are attached, and it would be impossible to use water rights. In addition, potential litigation that could continue for years would be brought by the City of Twin Falls and other interest groups.

Mr. Paulos stated the public knows the value of this ground and understands the need to protect it for future generations. He equated this topic to an earlier discussion at this meeting regarding public access to the waterways within the State. He feels this is an opportunity to do the right thing for future generations. In doing so, protection would be given to the single source wellhead for the City of Twin Falls. The City of Twin Falls receives seventy to seventy-five percent of its drinking water from underneath this ground. He stated any type of development, other than putting this land into the Park Project, would be the wrong thing to do. Mr. Paulos thanked the Board for allowing him to speak on this matter. He also echoed the Department's willingness to work with the Project group.

DISCUSSION: Attorney General Wasden expressed his appreciation for the information provided today. However, he stated he is struggling with the responsibility that the Board has to maximize long-term return to the endowment beneficiaries. He asked Mr. Paulos if he had any suggestions how the Board might be able to accomplish both goals.

Mr. Paulos stated the BLM supports this project and has identified revenue producing properties for trade. The land is useless in that area for grazing because of the amount of public use it receives. Mr. Paulos stated the real value is for this land to become part of a central park, similar to New York City's Central Park.

Mr. Paulos acknowledged the information provided today regarding a change in the Department's process in April of this year. He believes it is in the entire region's interest to protect this area, and he asked that this process be moved along to make it happen. He stated ten years have passed since the last presentation to the Board, and those years have been productive. He hopes a balance can be found to accomplish everyone's objectives.

Governor Otter stated that Attorney General Wasden and Director Bacon have correctly reestablished and restated the Board's fiduciary obligation on endowment lands in Idaho. When he looks across the rim, he sees dollars, even in dry land. Those dollars are for the school children of Idaho and the endowment beneficiaries. He thanked Mr. Paulos and Ms. Dane for their presentation and complimented them on the vision they have shown. He agrees it is important to look into the future. He assured Mr. Paulos and Ms. Dane that there will be active and enthusiastic discussion on this issue, and they will be asked to return before the Board at a later date. Mr. Paulos responded that this piece of land has served many generations so in that sense, he believes it is serving the children of Idaho in a different way.

At 11:00 a.m. a motion was made by Attorney General Wasden to resolve into Executive Session pursuant to Idaho Code § 67-2345(1), §§ (c), §§ (d) and §§ (f) for the purpose of considering land purchases and transactions, discussing documents exempt from disclosure and for the purpose of discussing current litigation and controversies not yet being litigated but imminently likely to be litigated. Controller Jones seconded the motion. The motion carried on a vote of 3-0, with Superintendent Luna and Secretary of State Ysursa 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 12:12 p.m., a motion was made by Controller Jones to resolve into Regular Session. Attorney General Wasden seconded the motion. The motion carried on a vote of 3-0, with Superintendent Luna and Secretary of State Ysursa being absent for this vote.

✓ **ACTION TAKEN ON ITEMS NOT ON THE AGENDA**

ACTION ITEM 1 BOARD ACTION: A motion was made by Controller Jones to move that the Idaho Department of Lands, through its Director, George Bacon, be authorized to negotiate and enter into a Memorandum of Understanding with Blaine County and with a potential developer of the Buttercup parcel, which would be binding on each, and upon any subsequent developer, for the purpose of negotiating and entering an agreement that addresses the interests of all parties concerning the development of the Buttercup parcel, and that Director Bacon be directed to require that the agreement preserve the State Land Board's absolute dominion and control over the Buttercup parcel up until the moment that all right, title and interest of the State of Idaho is transferred to a potential developer and out of the State of Idaho. Attorney General Wasden seconded the motion. The motion carried on a vote of 3-0, with Superintendent Luna and Secretary of State Ysursa being absent for this vote.

ACTION ITEM 2 BOARD ACTION: A motion was made by Attorney General Wasden to move that the Board direct the Department of Lands and the Attorney General's office to proceed with negotiations with the federal government and private landowners to favorably resolve the issues regarding Gray's Lake. Controller Jones seconded the motion. The motion carried on a vote of 3-0, with Superintendent Luna and Secretary of State Ysursa being absent for this vote.

There being no further business to come before the Board, at 12:15 p.m. a motion was made by Controller Jones to adjourn. Attorney General Wasden seconded the motion. The motion carried on a vote of 3-0, with Superintendent Luna and Secretary of State Ysursa being absent for this vote. Meeting adjourned.

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 December 20, 2007 regular Land Board meeting.