



STATE BOARD OF LAND COMMISSIONERS

C. L. "Butch" Otter, Governor and President of the Board  
Lawrence E. Denney, Secretary of State  
Lawrence G. Wasden, Attorney General  
Brandon D Woolf, State Controller  
Sherri Ybarra, Superintendent of Public Instruction

David Groeschl, Secretary to the Board

---

*Be it remembered, that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.*

Final Minutes  
State Board of Land Commissioners Regular Meeting  
March 20, 2018

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, March 20, 2018, in the Borah Building, 2nd Floor Courtroom, Room 214, 204 North 8th Street, Boise, Idaho. The meeting began at 9:01 a.m. The Honorable Governor C. L. "Butch" Otter presided. The following members were present:

Honorable Secretary of State Lawrence Denney  
Honorable Attorney General Lawrence Wasden  
Honorable State Controller Brandon Woolf  
Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, Governor Otter recognized the presence of all Board members.

**1. Director's Report**

- A. Timber Sale Activity and Information Report – February 2018
- B. Division of Lands and Waterways Activity and Information Report – February 2018
- C. Cottage Site (VAFO) Update  
*DISCUSSION:* Controller Woolf asked when the Payette Lake auctions will take place. Director Groeschl responded they will occur on June 15.
- D. Legislative Update

**2. Endowment Fund Investment Board Manager's Report** – *Presented by Chris Anton, EFIB Manager of Investments*

- A. Manager's Report
- B. Investment Report  
*DISCUSSION:* Mr. Anton reported that the market experienced a fair amount of volatility in late January and into the first week of February; the U.S. equity markets were down over 10%. The market recovered considerably by the end of the month. The Fund was down 2.8% for the month of February, but up 9% fiscal year-to-date. Through yesterday, the Fund is up

9.7% fiscal year-to-date. Mr. Anton noted that reserves are well-secured for FY18 and FY19, with over five years of reserves for all of the endowment funds. Mr. Anton mentioned that at its meeting in February, the Investment Board approved a modest change to the asset allocation, which is now 38% for domestic equities, 19% for international, 9% for global, 8% for real estate, and 26% for fixed-income. The Investment Board believed it was appropriate to shift some assets from U.S. equity to international equity to provide further diversification. Mr. Anton commented that the Investment Board held a meeting on March 12th at which Callan provided an initial review of the draft report on their asset allocation study. That report will be presented to the Land Board at its April 17th meeting.

- **CONSENT**

- 3. **Timber License Plate Fee Recommendations** – *Staffed by Betty Munis, Director, Idaho Forest Products Commission*

*RECOMMENDATION:* Direct the Department to proceed with the recommended educational projects developed jointly with the Idaho Forest Products Commission.

*DISCUSSION:* Controller Woolf asked if there will be other revenues coming in during the remainder of the fiscal year, as there is \$38,000 currently in the fund and the plan is to spend \$50,000. Director Groeschl explained that fees from renewals and new license plates continue coming in monthly. It is anticipated that the \$50,000 will be in place by the time those funds are needed. Director Groeschl said that if the revenue is not there, Ms. Munis will only withdraw the funds that are in the account.

- 4. **Forest Legacy Project, Hall Mountain - Gause and Lindgren** – *Staffed by Ara Andrea, Bureau Chief-Forestry Assistance*

*RECOMMENDATION:* Authorize the Idaho Department of Lands to acquire the Hall Mountain–Gause and Hall Mountain–Lindgren conservation easements, comprising 61 and 100 acres, respectively.

*DISCUSSION:* Attorney General Wasden noted that on page one of the memo, it states the Forest Legacy Program is an entirely voluntary program that offers willing landowners the opportunity to capture part of the development value of their land. Attorney General Wasden asked Ms. Andrea to corroborate that the process is entirely voluntary on behalf of the landowner. Ms. Andrea confirmed that it is a completely voluntary program with a willing seller.

Controller Woolf remarked that Attachment 3 lists public support of the FY2015 project. Controller Woolf inquired if there have been any changes to the Boundary County Board of Commissioners and if they are still in support of this. Ms. Andrea stated that to her knowledge the Boundary County Board of Commissioners is the same. Governor Otter added that on the Friday prior, the 100th Capital for a Day was held in Moyie Springs. All of the Boundary County Commissioners were present, and neither they nor any citizens brought it forward as a concern.

**5. Disclaimer of Interest Request DI600284-Baserri, LLC/Premier Industrial, LLC, Boise River – Staffed by Andrew Smyth, Program Manager-Public Trust**

*RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for the parcel totaling 28.02 acres of the former bed of the Boise River, and to require Baserri, LLC and Premier Industrial, LLC to pay the remaining processing fee of \$300 or actual cost, whichever is greater, to the Department of Lands for this transaction.

*DISCUSSION:* Governor Otter inquired if that right-of-way is described in metes and bounds. Mr. Smyth responded no, it is 25 feet adjacent to the ordinary high water mark. Governor Otter commented that he does not recall such a large area being disclaimed, or anything over a couple of acres, and asked if this area is in a flood plain. Mr. Smyth stated that when the General Land Office meandered the Boise River in 1868, this was the river bed; he does not know if it is in a flood plain. Governor Otter explained he is asking because it will need to be diked in order to be protected and it will need to be out of the flood plain if anything will be built on it. Mr. Smyth said he is not sure what the exact plans are for that land, but the city of Middleton does have plans to build a greenbelt along the easement. Governor Otter asked if the right-of-way will move if the river moves again. Mr. Smyth noted the disclaimer of interest is written to the ordinary high water mark and if the river moves, the easement will move with it. Attorney General Wasden commented that is how the law operates and it is pretty standard – when the river moves, the boundary moves as well. Governor Otter remarked that if there is another 9,800 cubic feet per second flow like last winter, there is a good chance the river will come back unless it is well-diked, and that 25-foot right-of-way could move into somebody's house. Governor Otter added that is why, at one point, the Board asked for all easements to be described in metes and bounds.

**6. Disclaimer of Interest Request DI600290-Rominator, Payette River – Staffed by Andrew Smyth, Program Manager-Public Trust**

*RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for the parcel totaling 1.519 acres of the former bed of the Payette River; approve the public use right-of-way that is in part, less than twenty-five (25) feet in width; and to require Cynthia A Rominator to pay the remaining processing fee of \$300 or actual cost, whichever is greater, to the Department of Lands for this transaction.

**7. Callan Contract Amendment – Staffed by Kari Kostka, Strategic Planning Manager**

*RECOMMENDATION:* Authorize the Secretary of the Land Board to enter into a second contract amendment on behalf of the Land Board substantially in accordance with the Second Amendment to Consultant Agreement shown here as Attachment 3 to extend the termination date of the Consultant Agreement, as amended, with Callan LLC to June 30, 2019.

*DISCUSSION:* Attorney General Wasden stated that he understood Callan Associates is in the midst of working on the asset spending study, which is expected to be done soon, and extensive work has gone into that. Attorney General Wasden said to benefit from that effort, the Land Board needs this extension to allow the work to be completed properly. Attorney General Wasden also asked if, by allowing this extension, the Land Board's contract with Callan will coincide with the

contract the Investment Board has with Callan, and the contract periods will run at the same time. Ms. Kostka noted that Callan began the asset study in July of 2017. Final adjustments are taking place to the draft recommendations, which are anticipated to be presented to the Land Board in April. Ms. Kostka explained that in addition to the results and what the Land Board may approve from them, changes to the strategic reinvestment plan, statement of investment policy, or other plans and documents may need to occur. The Department would like the opportunity to work with Callan through those changes. Ms. Kostka confirmed that the contract extension will place the Department on the same timeframe as the contract between Callan and the Investment Board.

**8. Approval of Minutes – February 20, 2018 Regular Meeting (Boise)**

*CONSENT AGENDA BOARD ACTION:* A motion was made by Attorney General Wasden that the Board adopt and approve the Consent Agenda. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

- **REGULAR**

NONE

- **INFORMATION**

NONE

- **EXECUTIVE SESSION**

NONE

There being no further business before the Board, at 9:36 a.m. a motion to adjourn was made by Attorney General Wasden. Controller Woolf seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.

