

STATE BOARD OF LAND COMMISSIONERS OPEN MEETING CHECKLIST

FOR MEETING DATE: May 15, 2018

**Regular Meetings**

4/30/18	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) calendar days before meeting.
4/30/18	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) calendar days before meeting.
4/30/18	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
4/30/18	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
4/30/18	Notice of Meeting posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> five (5) calendar days before meeting.
5/9/18	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
5/9/18	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
5/9/18	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
5/9/18	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
5/9/18	Agenda posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> forty-eight (48) hours before meeting.
12/22/17	Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA

**Special Meetings**

	Notice of Meeting and Agenda posted in a prominent place in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Notice of Meeting or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

**Executive Sessions** *(If only an Executive Session will be held)*

	Notice of Meeting and Agenda posted in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on IDL's public website <a href="http://www.idl.idaho.gov">www.idl.idaho.gov</a> twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.

*Renée Miller*

RECORDING SECRETARY

May 9, 2018

DATE



## IDAHO 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

# NOTICE OF PUBLIC MEETING MAY 2018

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, May 15, 2018 in the **State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W Jefferson St., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

IDAHO DEPARTMENT OF LANDS

*Please note meeting location.*

This meeting will be streamed live via audio at this website address <http://idahoptv.org/insession/other.cfm>

First Notice Posted: 4/30/2018-IDL Boise; 4/30/2018-IDL CDA

*Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0242*

This notice is published pursuant to § 74-204 Idaho Code. For additional information regarding Idaho's Open Meeting law, please see Idaho Code §§ 74-201 through 74-208.



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

Final Agenda  
State Board of Land Commissioners Regular Meeting  
May 15, 2018 – 9:00 AM (MT)  
Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho

---

*Please note meeting location.*

---

**1. Director's Report**

- A. Timber Sale Activity and Information Report – April 2018
- B. Division of Lands and Waterways Activity and Information Report – April 2018

• **CONSENT (ACTION)**

**2. Gooding Hospital Surplus Property** – Staffed by Sid Anderson, Program Manager-Residential

**3. Bonners Ferry Armory Surplus Property (Idaho Military Division)** – Staffed by Josh Purkiss, Program Manager-Real Estate

**4. Application for Dredge/Placer Permit No. P310335, Curtis Matteson** – Staffed by Todd Drage, Program Manager-Minerals

**5. Approval of Minutes** – April 17, 2018 Regular Meeting (Boise)

• **REGULAR (ACTION)**

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

- A. Manager's Report
- B. Investment Report
- C. Semi-Annual Report
- D. Earnings Reserve Levels

**7. Extension of Recruiting Process for Department of Lands' Director** – Presented by Andrea Ryan, Human Resource Officer

• **INFORMATION**

NONE

• **EXECUTIVE SESSION**

NONE

---

State Board of Land Commissioners  
Final Agenda  
Regular Meeting (Boise) – May 15, 2018  
Page 1 of 1



# Idaho Statutes

## TITLE 74 TRANSPARENT AND ETHICAL GOVERNMENT

### CHAPTER 2 OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS -- WHEN AUTHORIZED.[EFFECTIVE UNTIL JULY 1, 2020] (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property which is not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in [chapter 1, title 74](#), Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 67-2345A [[74-206A](#)](1)(a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this act to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

#### History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125.]

STATE BOARD OF LAND COMMISSIONERS

May 15, 2018

**DIRECTOR'S TIMBER SALES REPORT**

TIMBER SALE TRANSACTIONS AND ACTIVITY

During April 2018, the Department of Lands sold four endowment timber sales at auction. The endowment net sale value represents a 10% up bid over the advertised value.

TIMBER SALE AUCTIONS								
SALE NUMBER	SAWLOGS MBF	POLES LF	POLES MBF	CEDAR PROD MBF	PULP MBF	APPRAISED NET VALUE	SALE NET VALUE	NET \$/MBF
TS204286	1,880					\$ 508,598.00	\$ 533,104.00	\$283.57
TS424287	2,110					\$ 657,137.50	\$ 919,200.30	\$435.64
TS404288	7,745			460		\$ 2,293,277.50	\$ 2,392,662.00	\$291.61
TS404289	3,265				1,100	\$ 532,819.00	\$ 553,754.05	\$126.86
	15,000	0	0	460	1,100	\$ 3,991,832.00	\$ 4,398,720.35	\$265.62

PROPOSED TIMBER SALES FOR AUCTION				
North Operations				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
Lookout Bloomlow	1,645	\$ 585,308	POL	6/4/2018
Sage Creek OSR	2,080	\$ 399,868	MICA	6/6/2018
Last Big Chance	5,935	\$ 1,262,479	POND	6/12/2018
Shattuck Pole	10,275	\$ 3,672,323	POND	5/30/2018
Alder Awesome	6,940	\$ 2,330,668	POND	5/30/2018
Schwartz Pole	2,230	\$ 985,774	POND	6/12/2018

South Operations				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
Parallel Mag	1,605	\$ 475,031	CLW	6/8/2018
Benton Road	12,145	\$ 3,383,866	CLW	6/8/2018
Flattened Grouse	915	\$ 216,030	MC	5/11/2018
Menagerie	905	\$ 267,883	MC	5/11/2018
Chapman Divide	1,405	\$ 281,943	MC	TBD

<b>VOLUME UNDER CONTRACT as of April 30, 2018</b>			
	Total	Public School	Pooled
Active Contracts	166		
Estimated residual volume (MBF)	370,414	235,617	134,797
Estimated residual length (LF)	510,050	405,680	104,370
Estimated residual weight (Ton)	559,881	364,753	195,128
Total Residual MBF Equivalent	474,849	303,981	170,868
Estimated residual value	\$ 131,742,066	\$ 83,028,439	\$ 48,713,627
Residual Unit Value (\$/MBF)	\$ 277.44	\$ 273.14	\$ 285.09

	<b>TIMBER HARVEST RECEIPTS</b>				
	April		FY to date	May Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
<b>Public School</b>	\$ 972,250.52	\$ 107,788.88	\$ 32,618,535.02	\$ 245,094.42	\$ 25,891.48
<b>Pooled</b>	\$ 1,142,764.23	\$ 104,652.46	\$ 26,203,670.66	\$ 223,290.39	\$ 28,531.14
<b>General Fund</b>	\$ 80,040.54	\$ 6,762.80	\$ 509,555.51	\$ 127,862.72	\$ 11,434.00
<b>TOTALS</b>	\$ 2,195,055.29	\$ 219,204.14	\$ 59,331,761.19	\$ 596,247.53	\$ 65,856.62

#### MARKET TRENDS AND GENERAL OUTLOOK

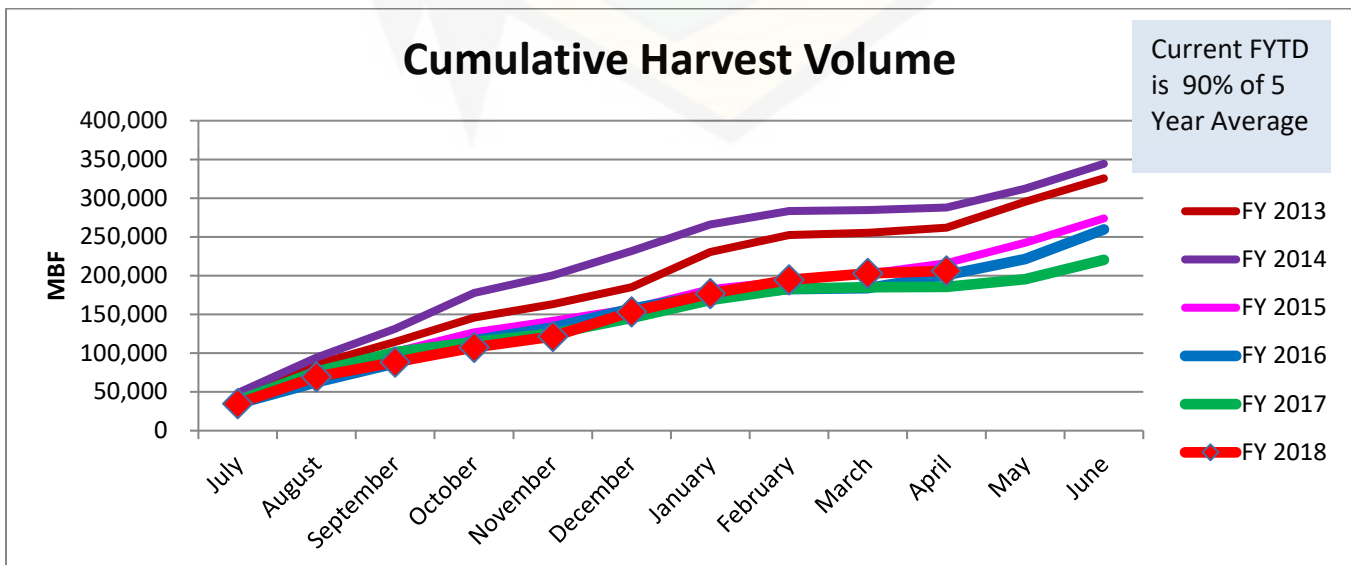
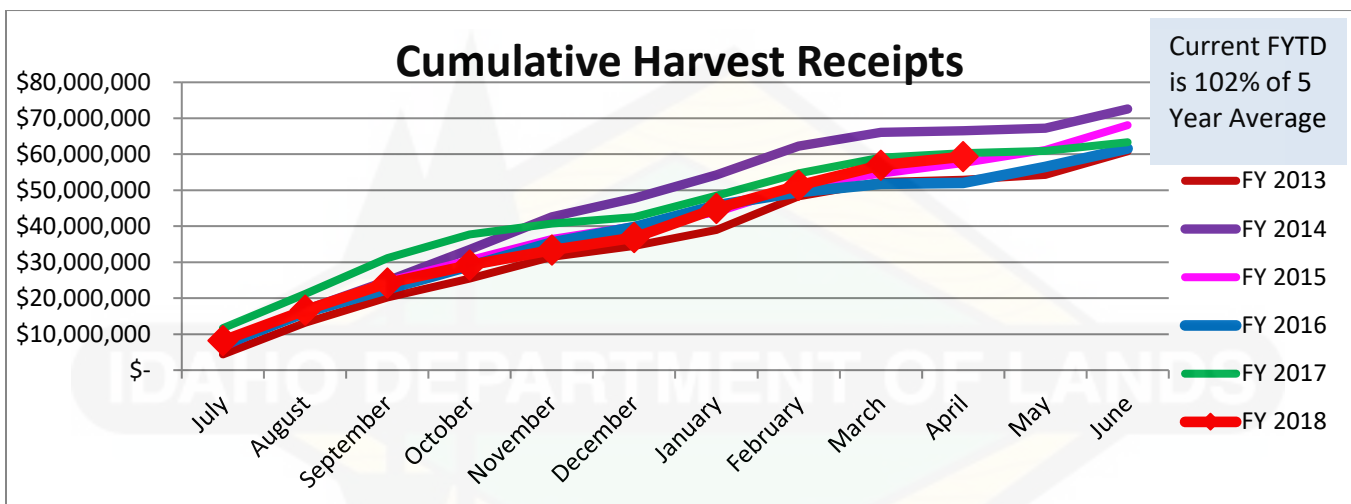
Spring breakup conditions continue to play a role in reduced timber harvest on endowment sales. The predicted warmer weather in May should lead to increased production.

PotlatchDeltic is currently acquiring adequate performance bonds and payment bonds with the new company name for their ten endowment sales under contract. Production on these sales should begin within the month.

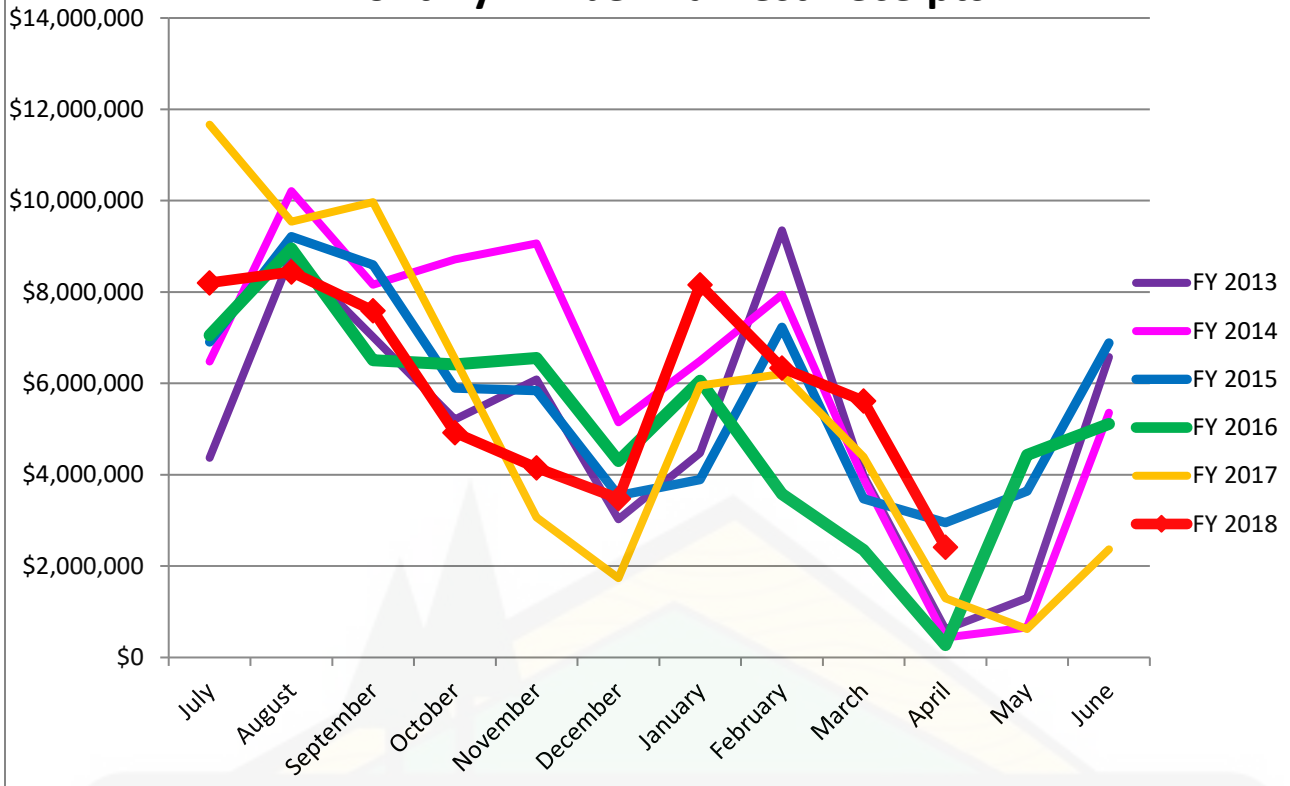
From RANDOM LENGTHS, the U.S. housing starts through the first quarter averaged a seasonally adjusted annual rate of 1.318 million units, up 6.5% from the same period of 2017. Despite a 3.7% drop in March from February's reading, single-family starts averaged 889,000 units for the quarter, a 6% increase over the first three months of 2017. Multifamily starts averaged 429,000 units through the quarter, up 7.5% from the same period of 2017.

<b>Status of FY 2018 Timber Sale Program</b>						
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of April 30, 2018	99,791	66,381	166,172	4,318	1,337	5,655
Currently Advertised	23,707	12,383	36,090	0	0	0
In Review	10,673	8,272	18,945	4,952	7,122	12,074
Did Not Sell	0	0	0	0	0	0
<b>TOTALS</b>	134,171	87,036	221,207	9,270	8,459	17,729
FY-2018 Sales Plan			248,000			20,790
Percent to Date			89%			85%

Status of FY 2019 Timber Sale Program						
	MBF Sawlog			Number Poles		
	Public School	Pool ed	All Endowments	Public School	Pool ed	All Endowments
Sold as of April 30, 2018	0	0	0	0	0	0
Currently Advertised	9,150	0	9,150	0	0	0
In Review	12,361	16,854	29,215	0	0	0
Did Not Sell	0	0	0	0	0	0
<b>TOTALS</b>	21,511	16,854	38,365	0	0	0
FY-2019 Sales Plan			256,000			20,000
Percent to Date			15%			0%



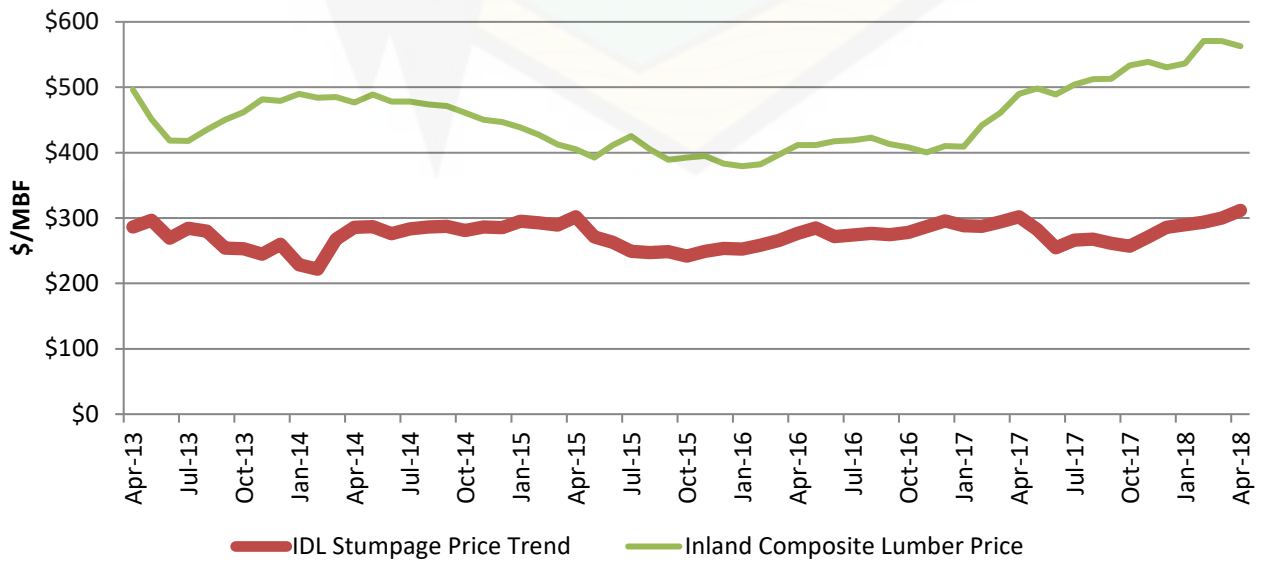
## Monthly Timber Harvest Receipts



IDAHO DEPARTMENT OF LANDS

## Monthly Stumpage Price

Net Selling Value





**STATE BOARD OF LAND COMMISSIONERS**

**SUBJECT**

Division of Lands and Waterways Activity and Information Report for the month of April 2018.

**New Instruments**

Endowment Programs	Instrument No.	Name	Area
Grazing	G800430	Gregory Brown	Eastern
Industrial	M600084	Holly Energy Partners	Southwest

**New Instruments**

Regulatory Programs	Instrument No.	Name	Area
NavWaters	B220111	Twinlow Camp Assembly of the United Methodist Church, Inc.	Mica
NavWaters	B220102	Fred R. and Susan L. Murphy	Mica
NavWaters	B220101	Tesemini Outing Club	Mica
NavWaters	B220120	Hayden Lake Country Club	Mica
NavWaters	B220110	Twin Echo Shores Resort Association, Inc.	Mica

**Assignments**

Endowment Programs	Instrument No.	Assignor	Assignee	Area
Grazing	G600044	J R Simplot Company	Ireland Ranch, LLC	Southwest
Grazing	G600044	J R Simplot Company	Sheephook Cattle	Southwest
Grazing	G500088	Loraine Carr	Frank Calvin Shirts, Jr.	Payette Lakes

**Assignments**

Regulatory Programs	Instrument No.	Assignor	Assignee	Area
NavWaters	B1024	B Squared Properties, LLC	Grandview Motorhome Resort, LLC	Priest Lake
Reclamation Plan	S00248	Kinross DeLamar Mining Company	DeLamar Mining Company	Southwest
Reclamation Plan	S00936	Kinross DeLamar Mining Company	DeLamar Mining Company	Southwest
Reclamation Plan	S00983	Kinross DeLamar Mining Company	DeLamar Mining Company	Southwest

**STATE BOARD OF LAND COMMISSIONERS**

Reclamation Plan	S00509	Nu-West Industries, Inc.	Itafos Conda, LLC	Eastern
Reclamation Plan	S02399	Nu-West Industries, Inc.	Itafos Conda, LLC	Eastern
Reclamation Plan	S802941	Nu-West Industries, Inc.	Itafos Conda, LLC	Eastern
Reclamation Plan	S02598	Knife River Corporation - Northwest	Knife River Corporation, Mountain West	Ponderosa
Reclamation Plan	S02770	Knife River Corporation - Northwest	Knife River Corporation, Mountain West	Maggie Creek
Reclamation Plan	S412900	Knife River Corporation - Northwest	Knife River Corporation, Mountain West	Ponderosa
Reclamation Plan	S01050	Clyde C. Moses	ADM Properties LLC	Southwest

**Terminations**

Regulatory Programs	Instrument No.	Name	Month Terminated	Area
Reclamation Plan	S01363	Seubert Excavators, Inc.	April	Payette Lakes

**Deeds Issued**

Transaction Type	Instrument No.	Name	County	Area
Deed-Surplus Property Sale	SD14220	Grantor: Idaho Department of Lands; Surplus Agency: Idaho Department of Parks and Recreation; Grantee: David Huff	Gooding	Eastern

STATE BOARD OF LAND COMMISSIONERS  
May 15, 2018  
Consent Agenda

SUBJECT

Request to surplus property owned by the state of Idaho (Gooding Hospital)

BACKGROUND

The state of Idaho acquired the former Gooding Hospital site by Warranty Deed on June 24, 1941, for a sum of \$3,500. Acquired Deed #431 (AD431) was for approximately 17.25 acres (Attachment 1). In 1969, the Idaho Department of Lands (Department) leased roughly 4.3 acres (the Land) to the Gooding County Memorial Hospital District (Gooding County Hospital District) for hospital use. The initial lease term was 99 years.

The Land is located at 1120 Montana Street, Gooding, Idaho 83330, Gooding County (Attachment 2). The Land was leased pursuant to authorization provided by House Bill No. 200 (HB200) in 1967. HB200 reserved the Land from sale as long as the same is used for a hospital or other public purposes and maintained by a public authority (Attachment 3).

The Gooding County Hospital District constructed improvements upon the leased site consisting of a 44,256-square-foot structure (Personal Property), and operated as a hospital until 2010 when a new hospital was constructed on other land. In 2010, the Department and the Gooding County Hospital District executed a new 25-year lease that allowed the lessee to sublease the Personal Property it owned when it moved into the new facility. In April of 2012, the Personal Property was sold and the lease was assigned to Silver Bridge Enterprises, LLC (Silver Bridge) (Attachment 4). The current owner of the Personal Property, Silver Bridge, is requesting the sale of the Land and Personal Property.

DISCUSSION

The Land is no longer used for a hospital or for other public purposes, and is no longer maintained by public authority. The HB200 reservation from sale no longer restricts the Land from a sale or other disposition (Attachment 5).

In accordance with the Surplus Property Act, Idaho Code § 58-331, *et seq.*, the Department requests approval by the State Board of Land Commissioners (Land Board) to declare the Land, the subject of the former Gooding Hospital site, surplus to its needs.

The Land was surveyed in 2009. An Environmental Site Assessment was completed June 28, 2017. A title report identifies a deed restriction in the use of the Personal Property that prohibits the Personal Property from being used for "Hospital Services" until December 31, 2065. The Land was appraised in July 12, 2017, and has an "as is" market value of \$286,000; the Personal Property was appraised for \$170,000.

Pursuant to Idaho Code § 58-332, other state agencies will be notified to determine if any of them are interested in purchasing the Land and Personal Property. If no state agencies express interest, the Land and Personal Property will be offered to tax-supported agencies,

including federal, city, and county agencies, to determine if there is any interest in purchasing it. If no tax-supported entity expresses interest in the Land and Personal Property, it will be offered at public auction in Ada County or Gooding County. If the Land and Personal Property do not sell at auction, it will be advertised for sale on the real estate market and offered for negotiated sale.

Silver Bridge, as the current owner of the Personal Property, would execute a surplus property sale and auction administration agreement that stipulates the terms of the sale in advance of the surplus sale process. The surplus sale or auction would be for the Land, and any buyer will be required to pay the appraised value of the Personal Property at closing.

Terms of a sale at auction would include: cash at closing, closing to occur within ninety (90) days from the date of the auction, and execution of a purchase and sale agreement at auction. An earnest money deposit of five percent (5%) of the appraised value of the Land would be collected from the purchaser upon execution of the purchase and sale agreement. The purchaser would be required to pay all closing, recording, and deed fees and any other costs or fees.

### RECOMMENDATION

Declare the Land to be surplus and direct the Department to offer the former Gooding County Hospital District property for surplus property disposition in Ada County or Gooding County in accordance with Idaho Code § 58-331 *et seq.*

### BOARD ACTION

### ATTACHMENTS

1. Acquired Deed (AD431)
2. Vicinity Map
3. House Bill No. 200 (HB200) 1967
4. 2012 Lease Assignment
5. Attorney General Opinion — January 31, 2018

Fees, \$1.40

*Acq Deed # 431*

Bert Bowler, Ex-Officio Recorder

By Frances Bishop, Deputy

*file 1795  
Shoemaker's  
248*

.....

**PROOF READ**

No. 89132

**WARRANTY DEED**

THIS INDENTURE, Made this 24th day of June, in the year of our Lord, one thousand nine hundred and forty-one (1941) between ALTA ELIZABETH WOODWORTH, a widow, of Long Beach, California; STELLA ABERNATHEY SLIGAR and WESLEY H. SLIGAR, wife and husband of Gooding, Idaho; NETTA LEONA RABY, a widow, of San Luis Obispo, California; MABEL ANITA ADAMSON and CHARLES F. ADAMSON, wife and husband, of Gooding, Idaho; GLADYS EDNA HALEY and WARD E. HALEY, wife and husband, of Camas, Washington; ETHEL DONALDSON NUTTING and DAVID NUTTING, wife and husband of Chehalis, Washington; parties of the first part, and STATE OF IDAHO, party of the second part,

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of Three Thousand Five hundred and no/100 (\$3,500.00) Dollars, lawful money of the United States of America, to them in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained and sold, and by these presents do hereby grant, bargain, sell, convey and confirm unto the said party of the second part, and to its successors and assigns forever, all the following described real estate situate in Gooding County, State of Idaho, to-wit:

ATTACHMENT 1

249

beginning at a point 42.7 feet north and 552.6 feet east of the west Quarter corner of Section 5, Township 6 South, Range 15 East of the Boise Meridian, being the point where the center line of vacated Washington Street of the City of Gooding intersects the north boundary line of Fourteenth Avenue of said City, thence north 389.6 feet, thence East 380 feet, thence North 565 feet, thence East 570 feet to the West boundary line of Oregon Street, thence South 954.6 feet along said west boundary line of Oregon Street to the North line of said Fourteenth Avenue, Thence West 950 feet to the point of beginning.

Together with all water rights appurtenant thereto.

(\$3.85 INTERNAL REVENUE STAMPS ATTACHED AND CANCELLED)

TOGETHER With all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise accertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all estate, right, title and interest in and to the said property, as well in law as in equity, of the said parties of the first part.

TO HAVE AND TO HOLD, All and singular the above mentioned and described premises, together with the appurtenances, unto the party of the second part, and to its successors and assigns forever. And the said parties of the first part, and their heirs the said premises in the quiet and peaceable possession of said party of the second party, its successors and assigns, against the said parties of the first part, and their heirs and against all and every person and persons whomsoever, lawfully claiming or to claim the same shall and will WARRANT and by these presents forever DEFEND.

hands and seals the day and year first above written.

Alta Elizabeth Woodworth

Stella Abernethy Sligar

Wesley H. Sligar

Netta Leona Raby

Mabel Anita Adamson

Charles F. Adamson

Gladys Edna Haley

Ward E. Haley

Ethel Donaldson Nutting

David Nutting

State of California )  
  : ss.  
County of Los Angeles )

On this 7 day of July in the year of 1941, before me the undersigned, a Notary Public in and for said County and State, personally appeared Alta Elizabeth Woodworth, a widow, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

My commission expires:

October 11 1944

(NOTARY SEAL)

Charles E. Grubb  
Notary Public in and for the  
State of California, residing at  
Long Beach

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**





THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**

*Accepted 5/11/94*  
*Idaho*  
*Session*  
*Laws*

In the House of Representatives

H. B. No. 200

By RESOURCES AND CONSERVATION COMMITTEE

*Law*  
*file 1795*  
*M 7002-7*

AN ACT

1 RESERVING FROM SALE CERTAIN STATE LANDS IN GOODING  
2 COUNTY, IDAHO; AUTHORIZING THE STATE BOARD OF LAND  
3 COMMISSIONERS TO LEASE THE SAME FOR PUBLIC PUR-  
4 POSES; AND DECLARING AN EMERGENCY.

5 *Be It Enacted by the Legislature of the State of Idaho:*

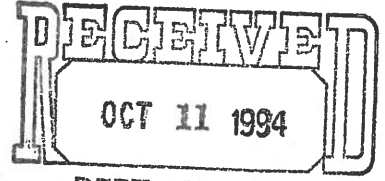
6 SECTION 1. The following described state lands are hereby reserved  
7 from sale so long as the same shall be used for a hospital or other public  
8 purposes and maintained by public authority:

9 A tract of land in Gooding County, Idaho, in part of the E 1/2 of the  
10 SW 1/4 of the NW 1/4 of Sec. 5, T. 6 S., R. 15 E. B.M., or more  
11 particularly described as follows:

12 Beginning at the NW corner of Block 149 Woodworth Addition to  
13 the town of Gooding, according to the plat thereof on file in the office  
14 of the County Recorder of Gooding County, Idaho; thence South 115  
15 feet along the East line of Montana Street to the true point of be-  
16 ginning; thence South 335 feet along the East line of Montana Street;  
17 thence East 570 feet parallel with the South line of 11th Avenue to  
18 the West line of Oregon Street extended; thence North 335 feet along  
19 the West line of Oregon Street extended; thence West 570 feet to  
20 the point of beginning.

21 SECTION 2. The State Board of Land Commissioners is hereby au-  
22 thorized to lease the lands described in Section 1 hereof for a hospital or  
23 other public purposes, upon such terms and conditions as the Board may  
24 determine best in the interests of the State or to exchange said lands  
25 for other lands of a tax-supported agency or unit of the State of Idaho  
26 or the United States, in accordance with law.

27 SECTION 3. An emergency existing therefor, which emergency is  
28 hereby declared to exist, this Act shall be in force and effect from and  
29 after its passage and approval.



DEPT. OF LANDS  
SOUTH CENTRAL AREA



# INSTRUMENT ASSIGNMENT

RECEIVED  
APR 26 2012  
DEPT. OF LANDS  
SOUTH CENTRAL AREA

Note: Incomplete forms will not be processed. All Assignment fees are Non-refundable.

For and in consideration of the full sale price of \$ 40,000 dollars paid for the instrument, improvements and/or personal property, with the amount of \$ 40,000 paid for the improvements and/or personal property, receipt of which is hereby acknowledged. We hereby sell, assign and convey unto the following: SOUTH CENTRAL AREA rights, title and interest in State of Idaho Instrument No. M700019 unto the following:

Individual or Family Trust Name:  
Last \_\_\_\_\_  
First \_\_\_\_\_  
Middle \_\_\_\_\_  
DBA: \_\_\_\_\_

Business or Entity Name:  
Silver Bridge Enterprises, LLC  
Business or Entity Registration No. (or proof of pending application)  
W111098

### ADDRESS OF RECORD (FOR ALL CORRESPONDENCE) AND CONTACT INFORMATION

Street: 1120 Montana ST  
PO Box: \_\_\_\_\_  
City: Gooding  
State: ID  
Zip +4: 83330  
Country: U.S.  
Attention: B. Roy Prescott  
Title: \_\_\_\_\_

Business: Silver Bridge Enterprises, LLC  
Contact Name: B. Roy Prescott  
Fax: 208 324 5990  
Contact Name: B. Roy Prescott  
Home: 208 324 0436  
Contact Name: B. Roy Prescott  
Cell Area Code/Phone#: 208 280 2163  
Contact Name: B. Roy Prescott  
Email Address(es): Royprescott@hotmail.com

- Assign Encroachment (Attachment A not required).
- Assign all lands within Instrument (Attachment A not required).
- Assign only part of the lands in the Instrument. (Attachment A required for lands remaining and lands being removed)

### ACCEPTANCE AND ASSUMPTION BY ASSIGNOR

I / We hereby swear and affirm that the consideration stated herein is the full and complete amount paid by the assignees to the assignors for the above-described State of Idaho Instrument, and no additional payment has been or will be made.

MARCH 21, 2012 Phillip M. Becker Gooding County Memorial Hospital District  
 Date Current Instrument Holder/Designated Agent Company Name (if applicable)

\_\_\_\_\_  
 Date Current Instrument Holder/Designated Agent Company Name (if applicable)

STATE OF Idaho )  
County of Gooding ) ss. (SEAL)

Subscribed and sworn to before me this 21<sup>st</sup> day of March, 2012.

**Susan M. Bolton**  
Notary Public  
State of Idaho

Susan M. Bolton  
Notary Public  
My Commission Expires: 10-16-2016

### ACCEPTANCE AND ASSUMPTION BY ASSIGNEE

The undersigned, as Assignee(s) above-named, assumes and accepts the obligations and conditions of the above-described State of Idaho Instrument and separately covenants with the State of Idaho that they will abide thereby during the term of said Instrument. Assignee(s) does hereby swear and affirm that the sum of \$ \_\_\_\_\_ is the full and complete amount of consideration paid by Assignee(s) to the Assignor(s) herein, and that no additional payment has been or will be made.

March 21 2012 \_\_\_\_\_  
 Date New Instrument Holder/Designated Agent

\_\_\_\_\_  
 Date New Instrument Holder/Designated Agent

Silver Bridge Enterprises, LLC  
Company Name (if applicable)

\_\_\_\_\_  
Company Name (if applicable)

STATE OF Idaho )  
County of Gooding ) ss. (SEAL)

Subscribed and sworn to before me this 21<sup>st</sup> day of March, 2012.

**Susan M. Bolton**  
Notary Public  
State of Idaho  
Area Office Use Only  
Instrument No. M700019

Susan M. Bolton  
Notary Public  
My Commission Expires: 10-16-2016

Fee \$ 20.00  
4-26-12  
ID  
Area Manager Signature  
Date 5-8-12

MEMO:

To: David Groeschl  
From: Robert M. Follett  
Deputy Attorney General  
Date: January 31, 2018

Re: PROCEEDS FROM THE SALE OF THE GOODING HOSPITAL PROPERTY

The Gooding Hospital property (the "Property") was transferred to the State of Idaho pursuant to Warranty Deed dated June 24, 1941, also known as Acquired Deed No. 431 (hereafter the "Deed", a copy is attached).

The Deed transferred the Property to the State of Idaho, and contains no restriction or limitation whatsoever as to use, purpose or beneficial ownership. As such, the Property is owned by the State of Idaho through the State Board of Land Commissioners ("Land Board"). The Property is general State of Idaho property. It is not endowment land. Any proceeds from a sale or other disposition of the Property would belong to the State of Idaho and would be distributed to the general fund.

In 1967, the Idaho Legislature, House of Representatives, enacted HB 200 ("HB 200", copy attached), and authorized the use of the Property, and "reserved [the Property] from sale so long as the same shall be used for a hospital or other public purposes and maintained by public authority".

In 1968, the Property was the subject of a 99-year lease (the "Lease") executed by the Land Board as of January 1, 1968, to the Board of County Commissioners for Gooding County, for use as the Gooding County Hospital.

Also in May 1968, contemporaneously with the execution of the Lease, the Office of the Attorney General was requested to provide "an opinion on the property disposition of the moneys received from the rental" (a copy is attached). Through its then assistant attorney general, William D. Collins, the Office of the Attorney General concluded the following:

On the understanding that the land to be rented was acquired by the State of Idaho through the School for the Deaf and Blind from private persons, it would not fall within the classification of school lands, the proceeds of which constitute the public school fund, as defined by Article 9, Section 4 of the Idaho Constitution. Absent the attachment of the public school fund classification and specific legislation providing differently, the proceeds should be accounted and handled as are other payments received by the Land Board and deposited in the general fund.

The Lease has subsequently been amended and assigned. The Property is no longer used for a hospital or for other public purposes, and is no longer maintained by public authority. The reservation from sale no longer restricts the Property from a sale or other disposition.

Since the Property is no longer reserved from sale, a question has arisen as to whether the Property continues to have a use to the State or any agency thereof, and whether it should be disposed of as surplus property. Related to that issue is which agency would have control of the Property in order to manage or otherwise dispose of it.

As indicated, the Property was transferred to the State of Idaho. The Deed for the Property contained no limitation, restriction, or special designation of use or beneficial ownership. The Property is therefore owned as general property belonging to the State of Idaho by the Land Board.

The determination as to the future use of the Property belongs to the Land Board through its administrative agency, the Idaho Department of Lands.



Fees, \$1.40

*Acq Deed # 431*

Bert Bowler, Ex-Officio Recorder

By Frances Bishop, Deputy

*file 1796  
Shoemaker's  
248*

.....

**PROOF READ**

No. 89132

**WARRANTY DEED**

THIS INDENTURE, Made this 24th day of June, in the year of our Lord, one thousand nine hundred and forty-one (1941) between ALTA ELIZABETH WOODWORTH, a widow, of Long Beach, California; STELLA ABERNATHEY SLIGAR and WESLEY H. SLIGAR, wife and husband of Gooding, Idaho; NETTA LEONA RABY, a widow, of San Luis Obispo, California; MABEL ANITA ADAMSON and CHARLES F. ADAMSON, wife and husband, of Gooding, Idaho; GLADYS EDNA HALEY and WARD E. HALEY, wife and husband, of Camas, Washington; ETHEL DONALDSON NUTTING and DAVID NUTTING, wife and husband of Chehalis, Washington; parties of the first part, and STATE OF IDAHO, party of the second part,

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of Three Thousand Five hundred and no/100 (\$3,500.00) Dollars, lawful money of the United States of America, to them in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained and sold, and by these presents do hereby grant, bargain, sell, convey and confirm unto the said party of the second part, and to its successors and assigns forever, all the following described real estate situate in Gooding County, State of Idaho, to-wit:

249

beginning at a point 42.7 feet north and 552.6 feet east of the west Quarter corner of Section 5, Township 6 South, Range 15 East of the Boise Meridian, being the point where the center line of vacated Washington Street of the City of Gooding intersects the north boundary line of Fourteenth Avenue of said City, thence north 389.6 feet, thence East 380 feet, thence North 565 feet, thence East 570 feet to the West boundary line of Oregon Street, thence South 954.6 feet along said west boundary line of Oregon Street to the North line of said Fourteenth Avenue, Thence West 950 feet to the point of beginning.

Together with all water rights appurtenant thereto.

(\$3.85 INTERNAL REVENUE STAMPS ATTACHED AND CANCELLED)

TOGETHER With all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise accertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all estate, right, title and interest in and to the said property, as well in law as in equity, of the said parties of the first part.

TO HAVE AND TO HOLD, All and singular the above mentioned and described premises, together with the appurtenances, unto the party of the second part, and to its successors and assigns forever. And the said parties of the first part, and their heirs the said premises in the quiet and peaceable possession of said party of the second party, its successors and assigns, against the said parties of the first part, and their heirs and against all and every person and persons whomsoever, lawfully claiming or to claim the same shall and will WARRANT and by these presents forever DEFEND.





*Idaho  
Session  
Laws*

In the House of Representatives

H. B. No. 200

By RESOURCES AND CONSERVATION COMMITTEE

*file 1795  
M 7002-7*

AN ACT

1 RESERVING FROM SALE CERTAIN STATE LANDS IN GOODING  
2 COUNTY, IDAHO; AUTHORIZING THE STATE BOARD OF LAND  
3 COMMISSIONERS TO LEASE THE SAME FOR PUBLIC PUR-  
4 POSES; AND DECLARING AN EMERGENCY.

5 *Be It Enacted by the Legislature of the State of Idaho:*

6 SECTION 1. The following described state lands are hereby reserved  
7 from sale so long as the same shall be used for a hospital or other public  
8 purposes and maintained by public authority:

9 A tract of land in Gooding County, Idaho, in part of the E 1/2 of the  
10 SW 1/4 of the NW 1/4 of Sec. 5, T. 6 S., R. 15 E. B.M., or more  
11 particularly described as follows:

12 Beginning at the NW corner of Block 149 Woodworth Addition to  
13 the town of Gooding, according to the plat thereof on file in the office  
14 of the County Recorder of Gooding County, Idaho: thence South 115  
15 feet along the East line of Montana Street to the true point of be-  
16 ginning; thence South 335 feet along the East line of Montana Street;  
17 thence East 570 feet parallel with the South line of 11th Avenue to  
18 the West line of Oregon Street extended; thence North 335 feet along  
19 the West line of Oregon Street extended; thence West 570 feet to  
20 the point of beginning.

21 SECTION 2. The State Board of Land Commissioners is hereby au-  
22 thorized to lease the lands described in Section 1 hereof for a hospital or  
23 other public purposes, upon such terms and conditions as the Board may  
24 determine best in the interests of the State or to exchange said lands  
25 for other lands of a tax-supported agency or unit of the State of Idaho  
26 or the United States, in accordance with law.

27 SECTION 3. An emergency existing therefor, which emergency is  
28 hereby declared to exist, this Act shall be in force and effect from and  
29 after its passage and approval.

RECEIVED  
OCT 11 1994  
DEPT. OF LANDS  
SOUTH CENTRAL AREA

STATE BOARD OF LAND COMMISSIONERS

December 15, 1986

SUBJECT

Gooding County Hospital Lease - proposed assignment of the Walker Act Center sublease.

BACKGROUND

Mr. Gail Ater, of the Walker Act Center, asked for an opportunity to address the board relative to the impending sale of their enterprise. Representatives of the successor organization and a representative of the Gooding County Hospital will also be present.

The board, on January 1, <sup>1968</sup>~~1966~~, entered into a 99-year lease arrangement with the Board of County Commissioners, Gooding County for purposes of operating a county hospital. The lease covers 4.39 acres of general fund land. Authority for the lease arrangement was pursuant to HB 200 of the 1967 legislature.

This subject was last before the board on July 14, 1981 when a sublease arrangement between Gooding County and the Walker Act Center was approved. Concurrently the annual rental was increased from \$175.00 to \$1,712.00. The Center added a 10,600 square foot wing to the hospital in 1984.

The annual rental is based on six percent of the appraised value of the land, with the last re-evaluation taking effect January 1, 1985. Current rental is \$2,128.00 per year.

BOARD ACTION

Approved

DEC 15 1986

ATTACHMENTS

- 1) Letter from Mr. Gail Ater, Walker Act Center

*Proposed sublease*

**Certificate**

I, John B. Brogan Administrative Assistant to the  
duly appointed Director of Department of Lands of the  
State of Idaho, hereby certify that the within is a true and correct copy of Land Board Memo, December 15, 1986  
as it appears in the records of the Department of Lands.

WITNESS MY HAND AND SEAL this March day of 87

Administrative Assistant  
to the Director

RECEIVED  
MAY 20 1968



DEPT. OF PUBLIC LANDS

CHANDLER BLDG

STATE OF IDAHO

OFFICE OF THE ATTORNEY GENERAL

BOISE

ALLAN G. SHEPARD  
ATTORNEY GENERAL

May 20, 1968

Mr. Gordon C. Trombley  
State Land Commissioner  
B U I L D I N G

Attention: Mr. John Brogan

Dear Sir:

This letter is to be appended to our letter of April 8, 1968, relating to your request for our review of a proposed lease of land between the Land Department and Gooding County for hospital purposes. It is understood that you further requested an opinion on the proper disposition of the monies received from the rental.

On the understanding that the land to be rented was acquired by the State of Idaho through the School for the Deaf and Blind from private persons, it would not fall within the classification of school lands, the proceeds of which constitute the public school fund, as defined by Article 9, Section 4 of the Idaho Constitution. Absent the attachment of the public school fund classification and specific legislation providing differently, the proceeds should be accounted and handled as are other payments received by the Land Board and deposited in the general fund.

Yours very truly,

FOR THE ATTORNEY GENERAL

WILLIAM D. COLLINS  
Assistant Attorney General

WDC:bg

STATE BOARD OF LAND COMMISSIONERS  
May 15, 2018  
Consent Agenda

SUBJECT

Request to surplus property owned by the Idaho Military Division (Bonners Ferry Armory)

BACKGROUND

The Idaho Military Division (Military) by letter dated April 25, 2018, requested approval from the State Board of Land Commissioners (Land Board) to declare the Bonners Ferry Readiness Center, a.k.a. Bonners Ferry Armory, surplus property, pursuant to the Surplus Property Act (Act), Idaho Code § 58-331 *et seq.*, (Attachment 1).

The surplus property consists of 2.18 acres with an 8,425-square-foot building, a 96-square-foot storage building, 0.4 acres of parking, 1.4 acres of compound space, and associated real property (Property). The Property is currently being used by Boundary County. The Property is located at 6606 Main Street, on the north side of Highway 95 in the town of Bonners Ferry, Boundary County, Idaho (Attachment 1, page 2). Access to the Property is directly off Highway 95, also known as Main Street.

The Military acquired the Property by Warranty Deed on April 18, 1957 (Attachment 1, page 5). The Military has explained that Boundary County paid an initial investment to assist in the building of the original armory, and the Military paid for all renovations, capital improvements, and operation and maintenance costs thereafter. As such, the Military has shared interest with Boundary County, with each holding a fifty percent (50%) interest in the Property. Since 2016, Boundary County has been paying a nominal fee of \$3,300 a year for operations and maintenance costs, and its use of the Property. Based on the shared interest, Boundary County has explained that it would like to retain the Property for continued use. Pursuant to the Surplus Property Act, the Military will offer its one-half interest as prescribed in the Act.

The Property was appraised in August 2016, and has an "as is" market value of \$675,000. The appraised value includes the improvements. Because it has a fifty percent (50%) ownership interest, the Military will be offering the Property at \$337,500. Boundary County has been advised that the Property must be offered for sale to state agencies before the County will have the opportunity to express interest in purchasing it, as discussed below.

DISCUSSION

Pursuant to Idaho Code § 58-332, the Idaho Department of Lands (Department) on behalf of the Land Board will notify other state agencies to determine if any of them are interested in purchasing the Property. If no other state agencies express interest in the Property, the Department will offer the Property to tax-supported agencies, including federal, city, and county agencies, to determine if there is any interest in purchasing it. If no tax-supported entity expresses interest, the Department will offer the Property at public auction in Ada County or Boundary County. If the Property does not sell at auction, the Department will advertise the Property and accept offers for a negotiated sale.

Based on correspondence from a Boundary County Commissioner, the Military has reason to believe that Boundary County is interested in acquiring the Property at the appraised value. However, the Department must follow the Surplus Property Act, (I.C. § 58-331 *et seq.*), for the Property's disposition and will engage in the above-described notification process.

Terms of sale will include cash at closing within sixty (60) days from execution of a purchase and sale agreement or auction. An earnest money deposit of five percent (5%) of the appraised value will be collected from the purchaser on the execution of the purchase and sale agreement or auction. The purchaser will be expected to pay all closing, recording, and deed fees and any other costs or fees as agreed to by the Military.

With the Property being deemed surplus, the custody and control of it shall be vested in, and title be transferred to, the Land Board, subject to disposition by the Land Board, pursuant to Idaho Code § 58-331 *et seq.*

#### RECOMMENDATION

Direct the Department to offer the Bonners Ferry Readiness Center for surplus property disposition, in Ada County or Boundary County pursuant to Idaho Code § 58-331 *et seq.*

#### BOARD ACTION

#### ATTACHMENTS

1. Idaho Military Division letter dated April 25, 2018



**IDAHO ARMY NATIONAL GUARD**  
CONSTRUCTION AND FACILITIES MANAGEMENT OFFICE  
4715 SOUTH BYRD STREET  
BOISE, IDAHO 83705-8095



April 25, 2018

State Board of Land Commissioners  
Idaho Department of Lands  
954 West Jefferson Street  
P.O. Box 83720  
Boise, ID 83720-0050

Dear Commissioners:

The Military Division of the State of Idaho declares as surplus to its needs the following property: 2.18 acres of land to include the real property on site located at the NW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of Sec. 34, T. 62 N., R. 1 E., B.M., Bonners Ferry, Boundary County, Idaho.

We hereby request that the above described lands be approved for sale. If you have questions, please feel free to contact me at 208-272-3728, or email me at [james.c.packwood.mil@mail.mil](mailto:james.c.packwood.mil@mail.mil).

Sincerely,

J. Cole Packwood  
Colonel, Idaho Army National Guard  
Construction & Facilities Management Officer

- 4 Encls
1. Property Map
  2. Record of Survey
  3. Bonners Ferry Readiness Center Floor Plan
  4. Warranty Deed Dated February 18, 1957

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**



Enclosure 1  
Property Map

*Bonnars Ferry Readiness Center 2018*



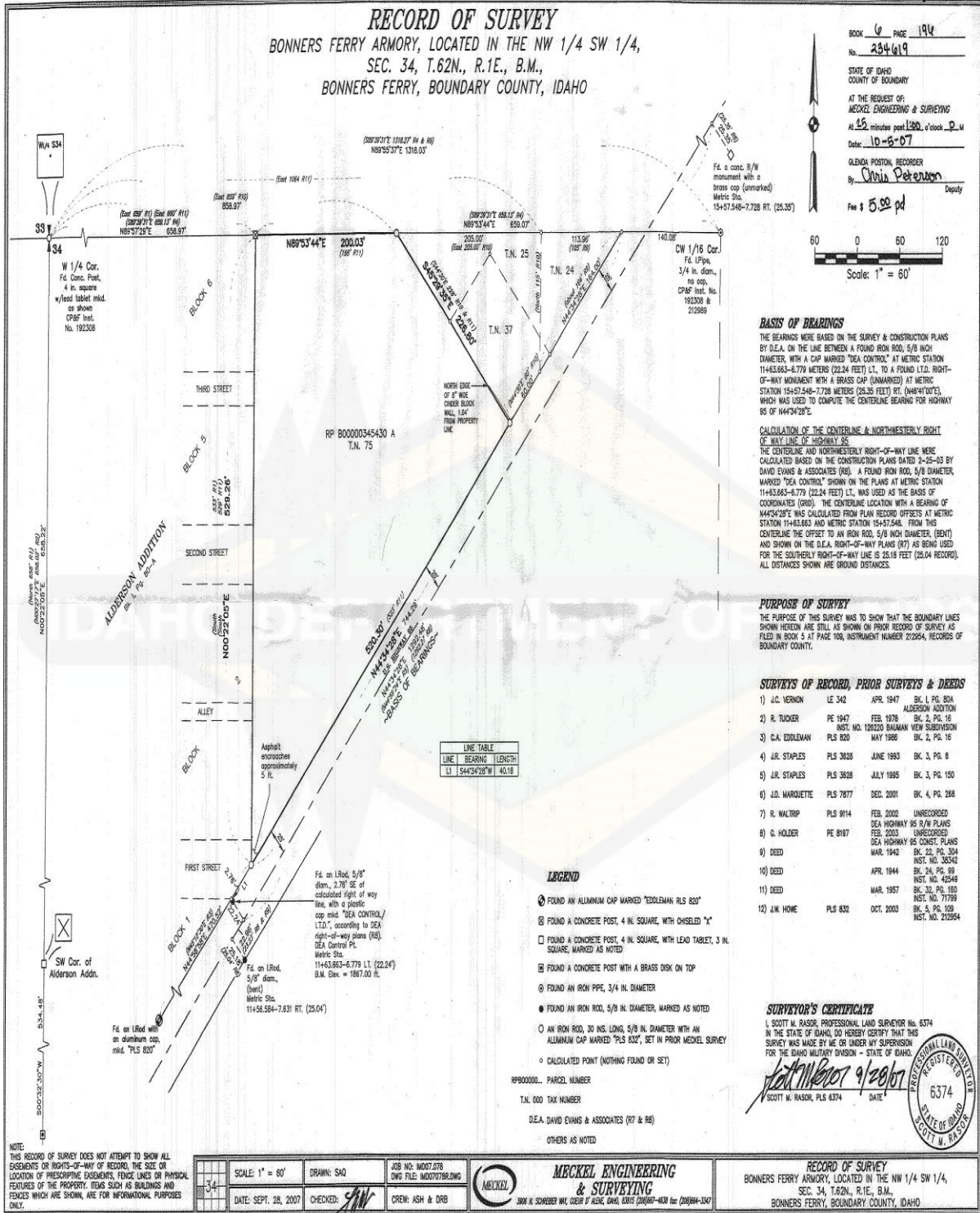
Scale 1:200



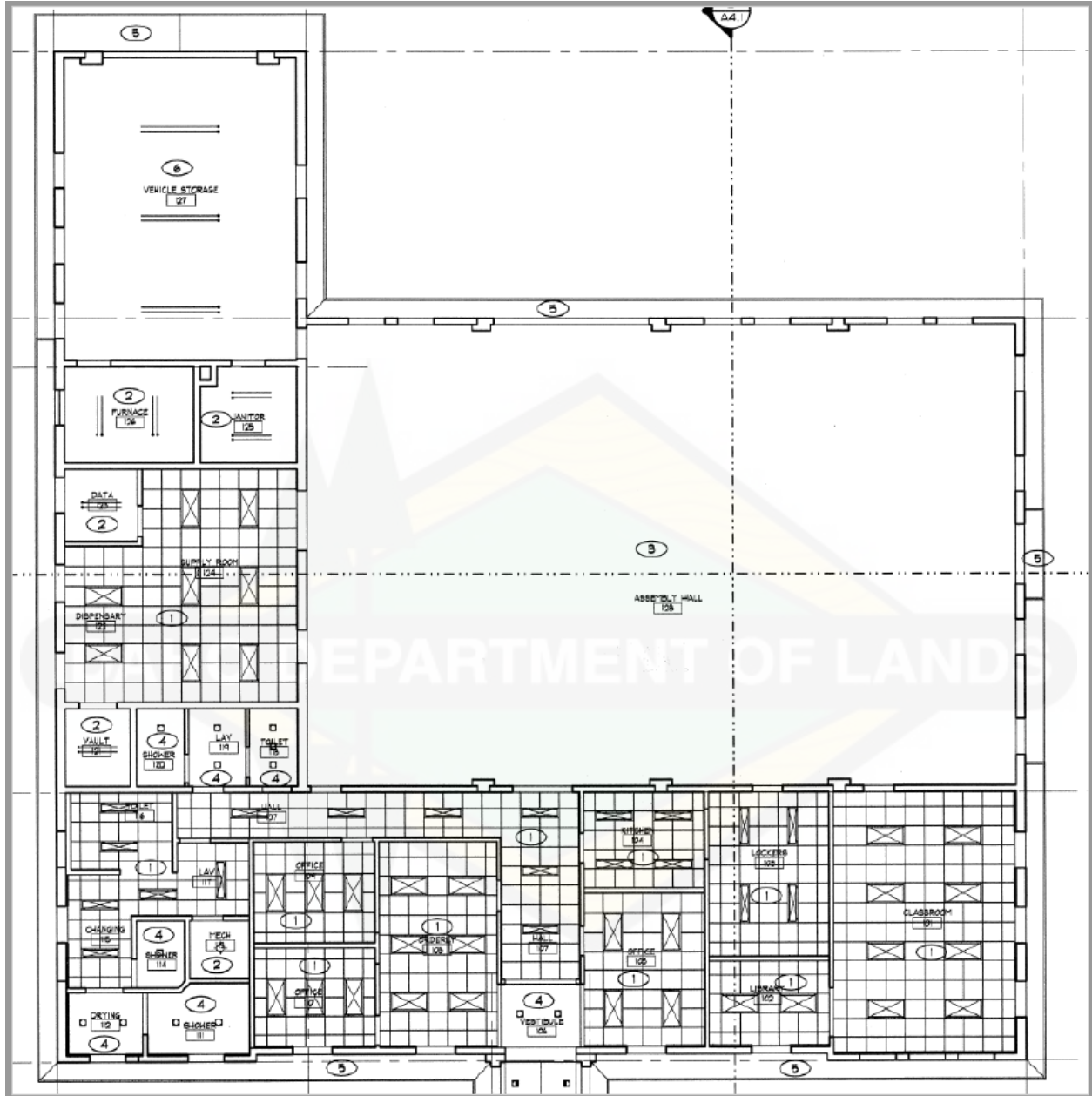
THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**

Enclosure 2  
Record of Survey



Enclosure 3  
 Bonners Ferry Readiness Center Floor Plan



Enclosure 4  
Warranty Deed

THIS INDENTURE, Made this 18th day of February  
in the year of our Lord one thousand nine hundred and Fifty-seven, between  
Boundary County

~~xxx~~ ~~County~~, State of Idaho  
the part y of the first part, and State of Idaho

~~xxxxxxx~~ ~~County~~ ~~State~~  
the part y of the second part.

WITNESSETH, That the said part y of the first part, for and in consideration of the sum of  
One and no/100----- DOLLARS,  
lawful money of the United States of America,  
to it in hand paid by the said  
party of the second part, the receipt whereof is hereby acknowledged, ha granted, bargained  
and sold, and by these presents do grant, bargain, sell, convey and confirm unto the said part y  
of the second part, and to its successors heirs and assigns forever, all of the following described real estate,  
situated in Bonners Ferry, County of Boundary, State of Idaho, to-wit:

DAHO DEPARTMENT OF LANDS

An undivided one-half interest in the following property:  
Commencing at a point 660 feet East of the West quarter  
corner of Section Thirty-four (34), Township Sixty-two (62) North  
Range One (1) East B. M., thence South 529 feet to the North Side  
of State Highway No. 95; thence in a Northeast direction on the  
North side of said State Highway No. 95, 523 feet to a point; thence  
North 44 degrees 30 Minutes West 228 feet to a point; thence West  
198 feet to the place of beginning.

TOGETHER, With all and singular the tenements, hereditaments and appurtenances thereunto  
belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents,  
issues and profits thereof; and all estate, right, title and interest in and to the said property, as well  
in law as in equity, of the said part y of the first part.  
TO HAVE AND TO HOLD, All and singular the above mentioned and described premises, together  
with the appurtenances, unto the part y of the second part, and to its successors heirs and assigns forever,  
and the said party of the first part, and its successors heirs and assigns forever, the said premises in the quiet and peaceable  
possession of the said part y of the second part, its successors heirs and assigns, against the said part y  
of the first part, and its successors heirs and assigns, and against all and every person and persons whomsoever, lawfully  
claiming or to claim the same shall and will WARRANT and by these presents forever DEFEND.

IN WITNESS WHEREOF, The said party and seal the day and year first above written. of the first part has hereunto set its hand BOARD OF COUNTY COMMISSIONERS

SIGNED, SEALED AND DELIVERED IN PRESENCE OF

William F. Maas [Seal]
Roy W. Glauner [Seal]
J. L. Van Etten [Seal]

STATE OF IDAHO,
COUNTY OF Boundary } ss.
On this 18th day of February in the year 1957, before me Estella Wright, a Notary Public

in and for said State, personally appeared William F. Maas, J. L. Van Etten, and Roy W. Glauner, members of the Board of County Commissioners,

known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Estella Wright
Notary Public for the State of Idaho,
Residing at Bonners Ferry, Idaho.
My commission expires 10/6/59

COMPAREL 71799 No.

WARRANTY DEED

Boundary County

State of Idaho

Dated Feb. 18, 1957

STATE OF IDAHO, } ss.
COUNTY OF

I hereby certify that this instrument was filed for record at request of

at 30 minutes past 11 o'clock A. M., this 18 day of March, A. D. 1957 in my office, and duly recorded in Book 32 of 32 at page 60
Estella Wright
Ex-Officio Recorder.
By P. Weldon Deputy.

Fees, \$
Mail to

CLAYTON PRINTERS, CALDWELL, IDAHO 83202

STATE BOARD OF LAND COMMISSIONERS  
May 15, 2018  
Consent Agenda

SUBJECT

Application for Dredge/Placer Permit No. P310335; Curtis Matteson, 2940 NW Highland Dr., Corvallis, OR 97330

DESCRIPTION

A 90.00-acre tract consisting of two patented mining claims, Simmons and Bear Placer claims, located in portions of the E2 Section 6 and W2 Section 5, Township 49 North, Range 06 East, B.M., Shoshone County.

BACKGROUND

On January 10, 2018, Curtis Matteson submitted a dredge/placer mining permit application covering approximately 90.00 acres of private patented land. The general location is six (6) miles east of Murray, Idaho.

DISCUSSION

The proposed mining area is in the Coeur d'Alene Mining District that has been mined for various metals and gold for over a hundred years.

The plan proposes excavation of up to nine (9) test pits with excavator. Pay material will be processed with an onsite plant. This testing will take approximately two (2) years of operations. If testing proves profitable then the permittee will submit a new plan of operations. Reclamation will consist of salvaged topsoil spread over the back-filled test holes of overburden and back-hauled washed rock and seeded with USFS approved seed. Work will only be performed during the late spring, summer and early fall prior to the rainy season. No stream channels will be mined and existing stream will be protected by undisturbed riparian buffers. Each 50' x 50' test pit area will be reclaimed prior to moving to the next test pit.

The application was circulated to the Idaho Department of Environmental Quality, Idaho Department of Fish and Game, Idaho Department of Water Resources and Shoshone County for review. The Idaho Department of Fish and Game commented with recommendations and BMPs. The owner/operator has committed to follow the recommendations and use the BMPs to the best of their ability.

RECOMMENDATION

Approve issuance of the attached permit subject to the plan submitted in the application and submission of the required Bond Assurance Fund fee to cover 10 acres of disturbance.

BOARD ACTION

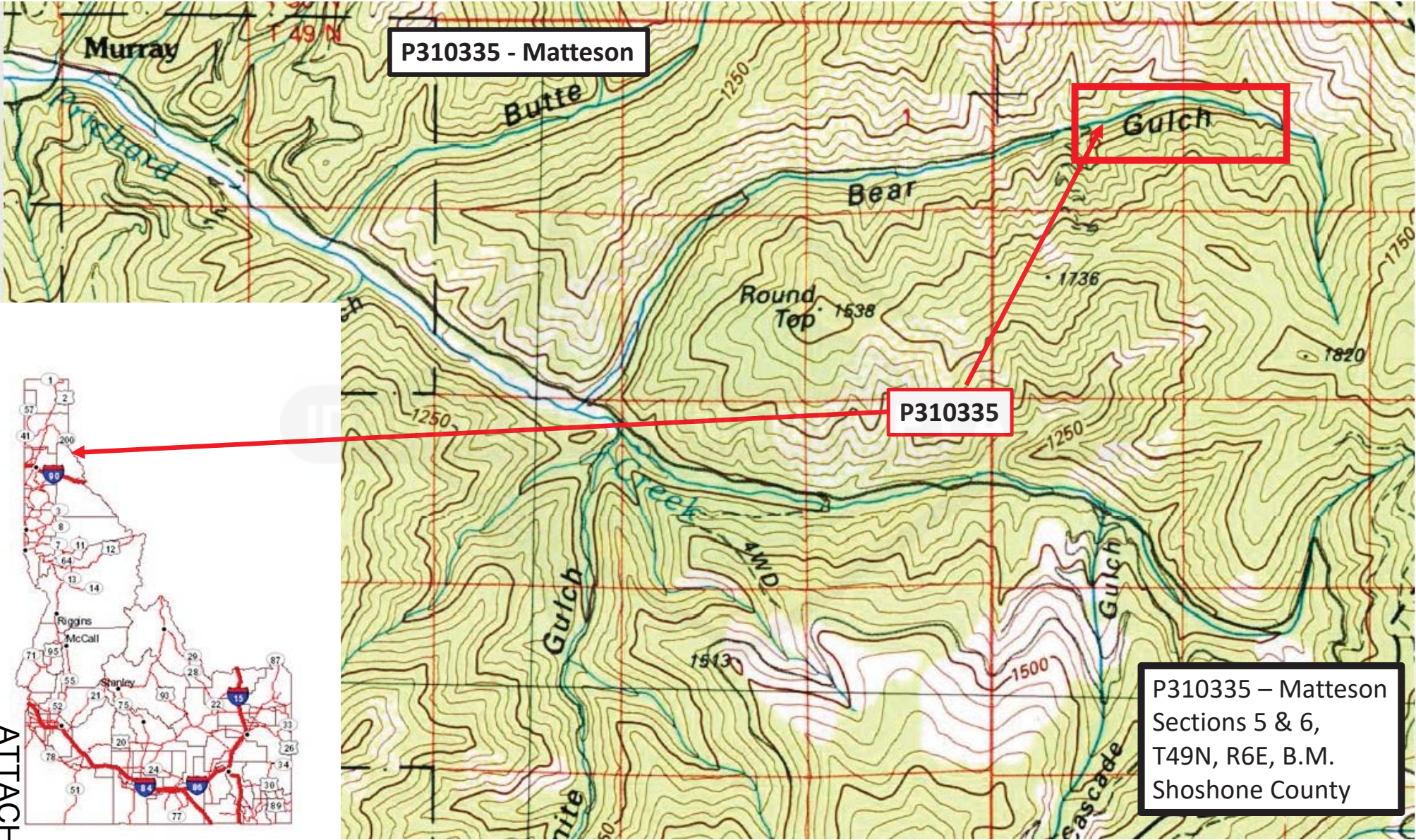
ATTACHMENTS

1. Location Map
2. Draft Permit

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**





P310335 - Matteson

Gulch

P310335

P310335 – Matteson  
Sections 5 & 6,  
T49N, R6E, B.M.  
Shoshone County

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**



STATE OF IDAHO  
DEPARTMENT OF LANDS

**DREDGE/PLACER MINING PERMIT NO. P310335**

Pursuant to Dredge/Placer Mining Permit Application No. P310335, approved by the State Board of Land Commissioners on May 15, 2018, Curtis Matteson, 2940 NW Highland Dr., Corvallis, OR 97330, is hereby authorized to conduct a placer mining operation in conformity with the Idaho Dredge and Placer Mining Protection Act (Idaho Code § 47-13) and the Rules Governing Dredge and Placer Mining Operations in the State of Idaho, on the following described lands:

A 90.00 acre tract located in portions of the E2, Section 6 and W2 Section 5, Township 49 North, Range 06 East, B.M., Shoshone County. The land is private patented owned by the operators. The permit area is more fully set forth in Dredge/Placer Permit File No. P310335 with the Idaho Department of Lands.

This permit is issued subject to and in compliance with the plan of operation and the following stipulations:

1. All refuse, chemical and petroleum products and equipment shall be stored and maintained in a designated location 100 feet away from any surface water and disposed of in such a manner as to prevent their entry into surface and groundwater.
2. State water quality standards will be maintained at all times during the life of the operation. In the event that a violation of water quality standards occurs, mining operations on the site will cease immediately, corrective action will be taken and the Department of Environmental Quality will be notified.
3. There will be a 15-foot buffer of undisturbed riparian vegetation maintained between the mining operation and any streams at all times.
4. Erosion and non-point source pollution shall be minimized by careful design of the site access and implementing Best Management Practices, which shall include, but are not limited to:
  - a. Diverting all surface water flows around the mining operation;
  - b. Removing and stockpiling vegetation and slash, except timber, for use in erosion control and reclamation;
  - c. Removing and stockpiling all topsoil or suitable plant growth material for use in reclamation;
  - d. Removing and stockpiling fine sand, silt and clay from the settling ponds for use in reclamation; and
  - e. Constructing settling ponds below ground level when conditions allow.
5. A payment to the Bond Assurance Fund of two hundred fifty dollars (\$250) for up to ten (10) acres through November 1, 2018, and annual payments thereafter based on disturbed acreage.
6. Upon placement of equipment and construction of settling ponds, permittee will provide notification to the Department of Lands prior to conduct of actual mining operations.

7. If a stream channel alteration is involved, a Stream Channel Alteration Permit shall be obtained from the Idaho Department of Water Resources and shall govern the diversion of the stream and reconstruction of the permanent channel of the waterway involved.
8. All water intake lines will be screened to prevent fish entrapment, and diversion dams must allow for fish passage.
9. The permitted area is to be reclaimed concurrent with mining, according to the approved plan.

Failure to comply with the Idaho Dredge and Placer Mining Protection Act, the Rules Governing Dredge and Placer Mining in Idaho, the plan of operation and these stipulations may result in cancellation of this permit.

It is understood and agreed that all of the stipulations of this permit must be complied with in the conduct of the mining operation.

\_\_\_\_\_  
David A. Groeschl, Director

\_\_\_\_\_  
Curtis Matteson

\* \* \* \* \*

STATE OF \_\_\_\_\_ )

: ss

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a notary public, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the within instrument, and acknowledged by me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first written above.

(SEAL)

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

\*\*\*\*\*

STATE OF \_\_\_\_\_)

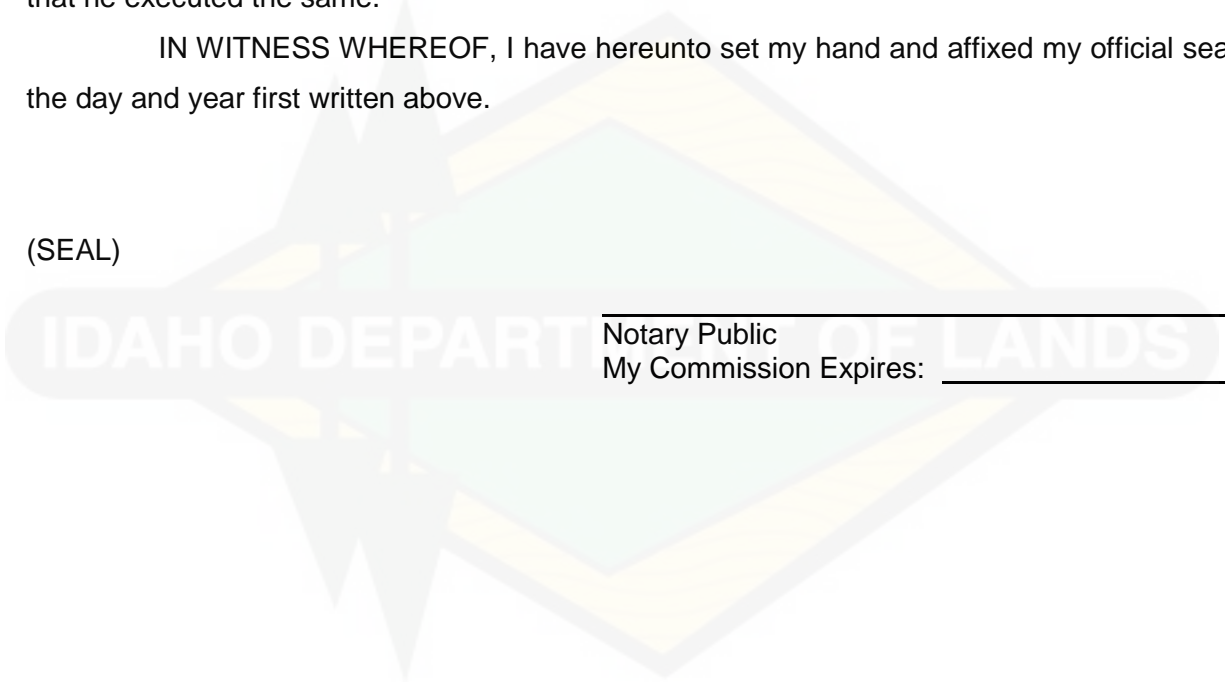
: ss

COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a notary public, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the within instrument, and acknowledged by me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first written above.

(SEAL)



\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**



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.*

Draft Minutes  
State Board of Land Commissioners Regular Meeting  
April 17, 2018

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, April 17, 2018, in the Capitol, Lincoln Auditorium, Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho. The meeting began at 9:00 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 – March 2018

*DISCUSSION:* Governor Otter asked if the Department will always list Good Neighbor Authority (GNA) separately in this report. Director Groeschl replied that the Department plans to keep the numbers separate so the volume and up-bid figures are accurate for GNA sales and endowment timber sales.

B. Division of Lands and Waterways Activity and Information Report – March 2018

C. Land Bank Fund

D. Legislative Update – Final

*DISCUSSION:* Governor Otter inquired if all the bills that passed have emergency clauses. Director Groeschl stated that to his knowledge House Bill 505 as amended is the only one that has an emergency clause. Governor Otter edified that in the Board memo where a status is listed as law, the bill will not become law until July 1 this year. Director Groeschl concurred.

E. Bi-Annual Resource Protection and Assistance Update

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

A. Manager's Report

B. Investment Report

*DISCUSSION:* Mr. Halvorson reported that for the month of March the Fund was down about 70 basis points, but for the month of April to date it rebounded 83 basis points, making the fiscal-year-to-date return 9.26%. Mr. Halvorson noted that the Investment Board held a special meeting on March 12th to review the draft Callan study, which today is being presented in final form [agenda item 10]. The Investment Board will attend the May 15th Land Board meeting to recommend adjustments to the years of reserve for some endowments. Staff will also present EFIB's semi-annual report in May.

• **CONSENT (ACTION)**

**3. Bogus Basin Master Plan** – Staffed by Brad Wilson, General Manager, Bogus Basin Mountain Recreation Area, Adam Little, Director, Bogus Basin Recreational Association, and Ryan Montoya, Bureau Chief-Real Estate Services

*RECOMMENDATION:* Approve Bogus Basin's Master Plan erosion control and re-vegetation plans.

*DISCUSSION:* Attorney General Wasden requested assurance from the Department that staff with the appropriate expertise has reviewed the plans and feel that this is a reasonable application of straw wattles, the drainage, the re-vegetation, and all necessary components. Mr. Montoya stated that Real Estate Services Bureau and Southwest Supervisory Area staff reviewed the entire plan and believe that it is satisfactory. Mr. Wilson thanked the Land Board for reviewing the plans. Mr. Little added that although the deed was issued in 2006, the restrictions have existed since the certificate of sale was issued in 1973. Attorney General Wasden noted for the record that he is a long-standing season pass holder at Bogus Basin but that does not disqualify his participation on this agenda item.

**4. Hayden Lake Surplus Property (Fish and Game)** – Staffed by Neil Crescenti, Program Specialist-Real Estate

*RECOMMENDATION:* Approve Coeur d'Alene, Kootenai County, as the location for the Hayden Lake Park site surplus property auction.

*DISCUSSION:* Governor Otter remarked that the property appears to either border or be in the stream bed of the feeder into the lake. Mr. Montoya explained that it is lakefront property, adjacent to a sportsman's access; the arrow on the map is not a precise depiction of the property location. Governor Otter asked about the possibility of a hatchery; Mr. Montoya said no, it is simply lakefront property.

**5. Approval of Minutes** – March 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 (ACTION)**

For the record, Attorney General Wasden commented that the next several items appear to be very similar in content and wondered if it would be appropriate to act on them all together or if there was a need to handle them separately. Director Groeschl noted that the main emphasis of the three negotiated rulemaking items is associated with bringing them up to date for electronic notification and submittal; however, there are a few nuances and differences among them and the Department would like the respective program managers to present them individually. Board members acknowledged that preference.

**6. Negotiated Rulemaking IDAPA 20.03.01, Dredge and Placer Mining Operations in Idaho – Presented by Todd Drage, Program Manager-Minerals**

*RECOMMENDATION:* Direct the Department to initiate negotiated rulemaking for IDAPA 20.03.01, Dredge and Placer Mining Operations in Idaho.

*BOARD ACTION:* A motion was made by Attorney General Wasden that the Board adopt the Department recommendation, that is direct the Department to initiate negotiated rulemaking for IDAPA 20.03.01, Dredge and Placer Mining Operations in Idaho. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

**7. Negotiated Rulemaking IDAPA 20.03.02, Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities – Presented by Todd Drage, Program Manager-Minerals**

*RECOMMENDATION:* Direct the Department to initiate negotiated rulemaking for IDAPA 20.03.02.

*DISCUSSION:* Governor Otter reminded the Board that this item is to allow the Department to move forward with public testimony for the rulemaking; the Board is not adopting the rule. Governor Otter expressed concern that the rulemaking is being advertised as simply a correction or identifying only certain things; there are some significant changes included. Governor Otter pointed out that it is a substantial change [in maximum amount of bond per acre] from \$2,500 to \$15,000. Governor Otter requested that when the Department advertises the rulemaking for public scoping those items that are being changed particularly are called out rather than just general rulemaking. Governor Otter also called attention to the modification concerning gravel pits adjacent to waterways. Mr. Drage noted that the Department will mail a notification to stakeholders and all current permittees, inviting everyone to participate in negotiated rulemaking sessions. Mr. Drage also affirmed that the Department will advertise the rulemaking in a more specific manner.

*BOARD ACTION:* A motion was made by Attorney General Wasden that the Board adopt the Department recommendation and direct the Department to initiate negotiated rulemaking for IDAPA 20.03.02. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

**8. Negotiated Rulemaking IDAPA 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho** – Presented by Andrew Smyth, Program Manager-Public Trust

*RECOMMENDATION:* Direct the Department to initiate negotiated rulemaking for IDAPA 20.03.04.

*DISCUSSION:* Governor Otter asked if people with multiple-family use of a dock use the term 'dock rights' in allowing somebody else to use their dock. Mr. Smyth responded that statute and rule use the term 'littoral rights' or 'riparian rights,' and that is the definition that authorizes the waterfront owner the ability to wharf out and maintain their adjacency to the lake.

*BOARD ACTION:* A motion was made by Attorney General Wasden that the Board adopt the Department recommendation, that is direct the Department to initiate negotiated rulemaking for IDAPA 20.03.04. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

For the record, Controller Woolf broadened the discussion on rulemakings, remarking that one of the main focuses on these three negotiated rulemaking items is to modernize them to allow digital submission of applications. Controller Woolf inquired if there are other Department rules that need to be updated in a similar manner. Director Groeschl replied that as the Department is building out its LIMS [Land Information Management System] for the Lands and Waterways, and Forestry and Fire, divisions, staff has been reviewing statutes and administrative rules for those that need addressed. The Department determined these three need modifications right now. On the forest management side there is nothing that would preclude the Department from allowing electronic submittal. Director Groeschl indicated that the Department will continue to examine statutes and rules as the LIMS implementation continues.

Governor Otter asked how the Department handles surface rights, and riparian rights, for Parks and Recreation and Fish and Game departments. Mr. Smyth answered that the rules have a specific section for government entities. They have their own permitting process, but the Department does issue permits for government-owned encroachments. Governor Otter mused that taking 'dock rights' out would not affect them either. Mr. Smyth said that is correct.

**9. FY2019 Timber Sales Plan** – Presented by Jim Elbin, Bureau Chief-Forest Management

*RECOMMENDATION:* Direct the Department to proceed with implementation of the FY19 Timber Sales Plan.

*DISCUSSION:* Governor Otter asked what the charts shown in attachment 3 represent. Mr. Elbin explained the graphs show what the 2009 FAMP [Forest Asset Management Plan] predicted for stand-based inventory by class size, and the actual 2017 stand-based inventory numbers. The last FAMP estimated average rotation at 80 years but it is closer to 60 years on the best endowment timberland. Good management grows trees faster.

Controller Woolf referred to the first paragraph on page 2 of the memo which mentions dual-entry and single-entry cedar pole sales and inquired if those will furnish sufficient data for the cedar pole

pilot study that the Board approved last year. Mr. Elbin replied he thinks it will be, noting that the Department is still learning a lot. Four sales have been sold to this point with another three currently being prepared for advertisement; between the two years there will be a good mix of the two types of sale methods and will indicate how well they sell. Looking at how the bidding is on other sales, it should be a fair comparison. Controller Woolf asked how far into the future does the Department have predictions of what the harvest yield will be for upcoming years; is it five years, 10 years. Mr. Elbin answered it is based off of current inventory and observed that the Department could probably estimate five years out; the new forest asset management project will set the harvest for the next five years beginning with fiscal year 2021. Controller Woolf wondered what continued growth would be for the next five to 10 years, if the Department could look into a 'crystal ball.' Mr. Elbin said he would bet on it increasing. Mr. Elbin elaborated that growth calculated in 2011 was fairly conservative at 220 MMBF, but considering the 8-12 inch size class now growing, it is 10-15 percent higher than that. As the Department manages growth and works to reduce standing volume, there will be an elevated harvest for at least the next seven years. At that time, the Department will re-evaluate distribution and growth; the intent is to update the FAMP every five years to avoid too many wild swings.

Governor Otter revisited sustainable yield; is the Department catching up from the 2 billion board feet that it was behind in 2007. Mr. Elbin replied that the Department is catching up incrementally; the small diameter trees are growing faster than predicted. Governor Otter asked how many mills in Idaho can take a 28-inch log. Director Groeschl answered there are three mills that can take 24-inch plus logs, one in Grangeville, one in Weippe and one in Lewiston. Governor Otter commented that the Department takes a \$120/MBF hit on those; Mr. Elbin stated it is \$150/MBF. Governor Otter noted that many of the oversized logs go to Oregon. Director Groeschl indicated that some sales, from the Southwest and Payette Lakes supervisory areas in particular, are hauled to a Boise Cascade mill in Oregon.

Attorney General Wasden remarked that the graph is illustrative of what the Board and the Department were trying to accomplish with the sizeable inventory of large diameter trees; the cut rate on those trees was increased because they were reaching a point of lost productivity; they were reaching their age life. Attorney General Wasden commented the surprise here is the increase in growth of the younger trees, but it really proves that the Department's management program is resulting in productive forests, and improved health of the forests, which seems to be reflected in the numbers. Attorney General Wasden asked Mr. Elbin if that is his perception, too. Mr. Elbin corroborated Attorney General Wasden's statement. The results are validating the Department's work on the ground and it is a good benefit for the endowments. Governor Otter observed that thinning the trees will make them grow faster and healthier, and that is being seen.

**BOARD ACTION:** A motion was made by Controller Woolf that the Board direct the Department to proceed with the implementation of the Fiscal Year 2019 Timber Sales Plan. Attorney General Wasden seconded the motion. The motion carried on a vote of 5-0.

- **INFORMATION**

*Background information was provided by the presenter indicated below. No Land Board action is required on the Information Agenda.*

**10. Asset Spending Study Results** – *Presented by Janet Becker-Wold, Callan Senior Vice President and Manager-Fund Sponsor Consulting, Julia Moriarty, Callan Senior Vice President-Capital Markets Research, and Sally Haskins, Callan Senior Vice President and Co-Manager-Real Assets*

For the record, during the presentation of agenda item 10, Attorney General Wasden noticed a group of school children standing at the auditorium windows and with consensus from Board members, asked staff to invite them into the room. On behalf of the Board, Attorney General Wasden welcomed the students and teachers and explained that Governor Otter was presiding at a meeting of the Land Board. Attorney General Wasden described that the purpose of the Land Board, per the Idaho Constitution, is to earn the most money possible from management of endowment lands to support public schools and other beneficiaries. Attorney General Wasden asked what school the students attended and they answered Desert Sage Elementary.

- **EXECUTIVE SESSION**

NONE

There being no further business before the Board, at 11:04 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.



M. Dean Buffington :: Chairman  
Jerry F. Aldape                    Irving Littman  
Neil A. Anderson                Gary L. Mahn  
Warren R. Bakes                Richelle A. Sugiyama  
Gavin M. Gee                    Chuck Winder  
  
Chris J. Anton :: Manager of Investments

## Monthly Report to the Board of Land Commissioners

### Investment performance through April 30, 2018

Month: **0.2%**      Fiscal year: **8.6%**

Corporate profits were very strong during the first quarter. Concerns over trade tensions moderated and strong financial results in the technology sector more than offset the focus on consumer data security. The U.S. economy remains very strong and we are at or near full employment. Interest rates and inflation remain low, but have increased modestly. The yield on ten-year U.S. Treasuries increased to 3% and monetary policy is becoming progressively less accommodative as we approach the Fed's inflation target of 2%. Overall the portfolio realized slight gains despite increased volatility in the financial markets.

### Status of endowment fund reserves

Distributions for FY2018 and FY2019 are **well secured**. For all endowments, estimated reserves as of March 2018 were at least **5 times** the size of the approved FY2019 distributions. More details are provided in the semi-annual report.

### Significant actions of the Endowment Fund Investment Board

Meetings: **None**.

### Compliance/legal issues, areas of concern

*Material deviations from Investment Policy or compliance guidelines for investment managers:* **None**.

*Material legal issues:* **None**.

*Changes in board membership or agency staffing:* **None**.

### Upcoming issues/events

**A Land Board Audit Committee meeting is scheduled on May 21, 2018.**

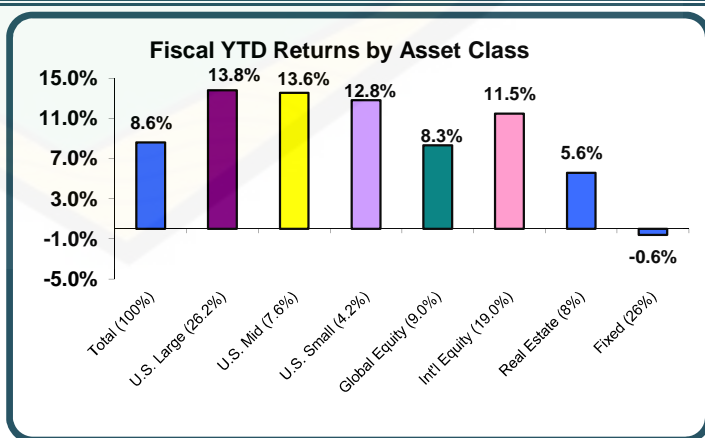
THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	2,260,938,318	2,107,702,271
Distributions to Beneficiaries	(6,123,600)	(61,236,000)
Land Revenue net of all Expenses	4,980,971	38,414,263
Change in Market Value	<u>4,179,727</u>	<u>180,237,511</u>
Current Value of Fund	<u>2,265,118,045</u>	<u>2,265,118,045</u>

<u>April-18</u>		<u>Fiscal Year to Date</u>		<u>Last Five Years</u>	
<b>Total Fund</b> <i>38% R3 19% Ax 9% AC 26% BB 8% OD</i>	<b>0.2%</b> 0.3%	<b>Total Fund</b> <i>38% R3 19% Ax 9% AC 26% BB 8% OD</i>	<b>8.6%</b> 7.6%	<b>Total Fund</b> <i>38% R3 19% Ax 9% AC 26% BB 8% OD</i>	<b>8.1%</b> 7.8%
<b>Total Fixed</b> <i>85% BB Agg, 15% TIPS</i>	<b>-0.7%</b> -0.6%	<b>Total Fixed</b> <i>85% BB Agg, 15% TIPS</i>	<b>-0.6%</b> -0.7%	<b>Total Fixed</b> <i>85% BB Agg, 15% TIPS</i>	<b>1.2%</b> 1.2%
<b>Total Equity</b> <i>38% R3 19% Ax 9% AC</i>	<b>0.6%</b> 0.8%	<b>Total Equity</b> <i>38% R3 19% Ax 9% AC</i>	<b>12.5%</b> 11.2%	<b>Total Equity</b> <i>38% R3 30% Ax 9% AC</i>	<b>10.7%</b> 10.6%
<b>Domestic Equity</b> <i>Russell 3000 (R3)</i>	<b>0.6%</b> 0.4%	<b>Domestic Equity</b> <i>Russell 3000 (R3)</i>	<b>13.7%</b> 10.9%	<b>Domestic Equity</b> <i>Russell 3000 (R3)</i>	<b>13.1%</b> 12.8%
<b>Global Equity</b> <i>MSCI ACWI (AC)</i>	<b>-0.7%</b> 1.0%	<b>Global Equity</b> <i>MSCI ACWI (AC)</i>	<b>8.3%</b> 11.2%	<b>Global Equity</b> <i>MSCI ACWI (AC)</i>	<b>5.8%</b> 8.8%
<b>Int'l. Equity</b> <i>MSCI ACWI ex-US (Ax)</i>	<b>1.0%</b> 1.6%	<b>Int'l. Equity</b> <i>MSCI ACWI ex-US (Ax)</i>	<b>11.5%</b> 11.9%	<b>Int'l. Equity</b> <i>MSCI ACWI ex-US (Ax)</i>	<b>5.8%</b> 5.5%
<b>Real Estate</b> <i>Real Estate Index (OD)</i>		<b>Real Estate</b> <i>Real Estate Index (OD)</i>	<b>5.6%</b> 4.6%		

	<u>Mkt Value</u>	<u>Allocation</u>
<b>Domestic Equity</b>	<b>\$ 861.2</b>	<b>38.0%</b>
Large Cap	590.0	26.0%
Mid Cap	175.2	7.7%
Small Cap	96.0	4.2%
<b>Global Equity</b>	<b>204.0</b>	<b>9.0%</b>
<b>Int'l Equity</b>	<b>436.7</b>	<b>19.3%</b>
<b>Fixed Income</b>	<b>577.8</b>	<b>25.5%</b>
<b>Real Estate</b>	<b>166.1</b>	<b>7.3%</b>
Cash	<u>19.3</u>	<u>0.9%</u>
<b>Total Fund</b>	<b>\$ 2,265.1</b>	<b>100.0%</b>

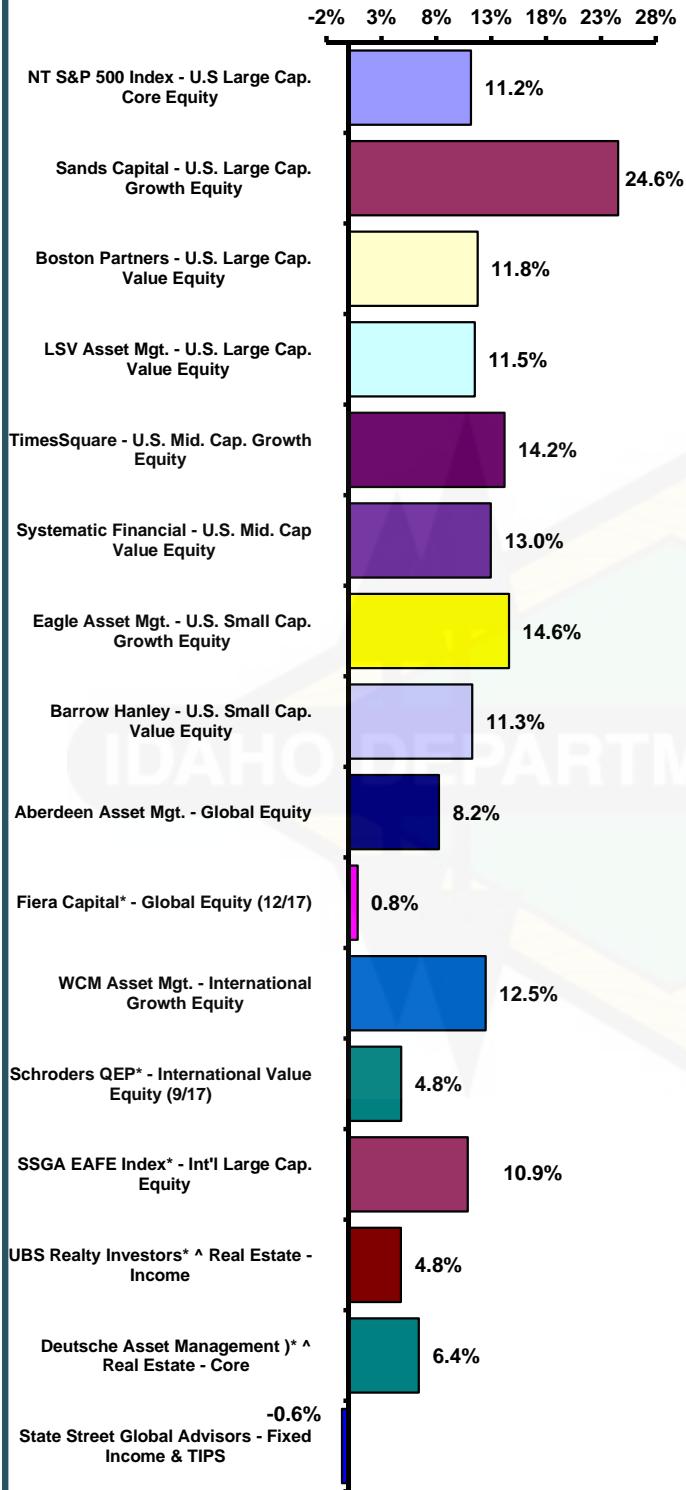


### Endowment Fund Staff Comments:

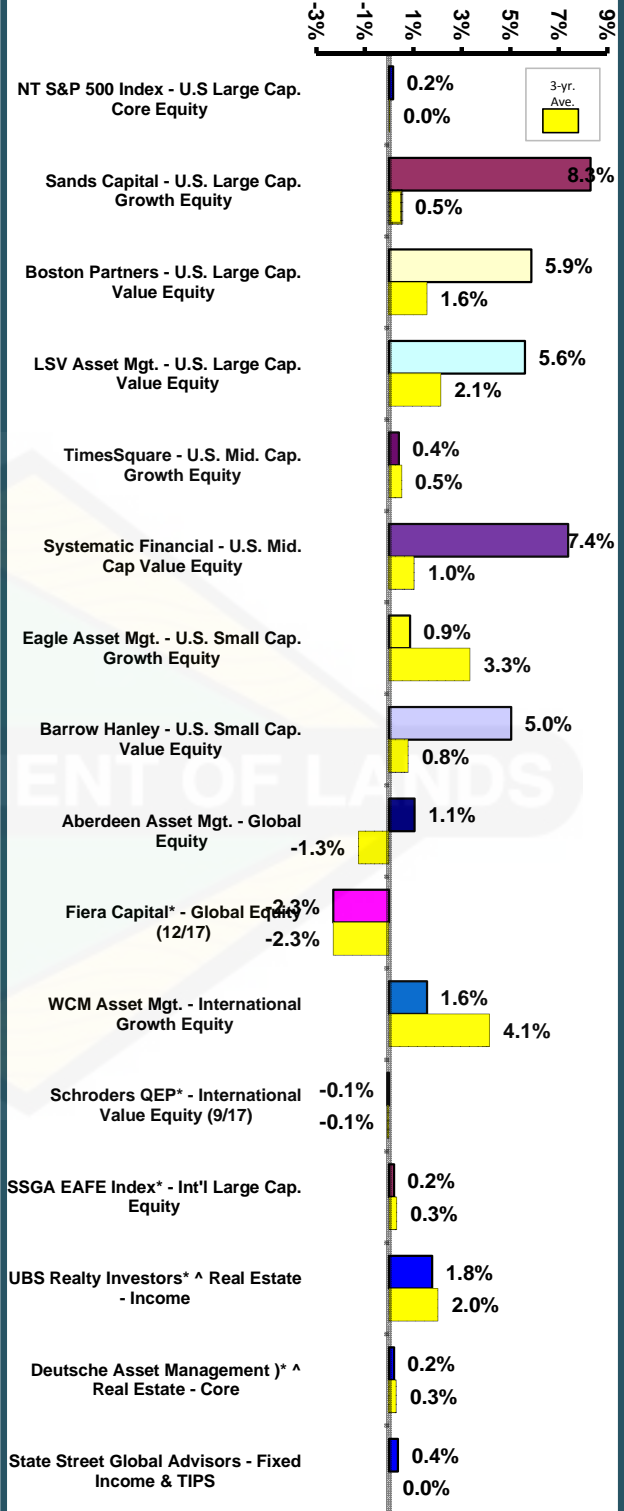
The fund was up 0.2% for the month, 0.1% under the benchmark. The Russell 3000 index was up 0.4%, Russell Midcap down 0.2% and Russell 2000 (small cap) up 0.9%. International equities (MSCI ACWI ex-US) were up 1.6%. Value outperformed Growth, while International equity outperformed Domestic equity. Bonds, as measured by the BBC Aggregate index, were down 0.7% and TIPS were up 0.1%. 7 of 13 active managers beat their benchmark this month. On a fiscal Y-T-D basis, the fund is up 8.6%, 1.1% over benchmark, and 11 of 13 active managers beat their benchmark.

# INVESTMENT REPORT

## FYTD Manager Returns



## Manager Relative Returns Fiscal YTD and 3-Yr Ave. Annualized\*



\* ITD return used when manager has less than 3 years. ^ Most recent valuation.



---

# Semi-Annual Report to the Board of Land Commissioners

IDAHO DEPARTMENT OF LANDS

---

From the Endowment Fund  
Investment Board

May 15, 2018

---

# **Mission:**

## **Endowment Fund Investment Board**

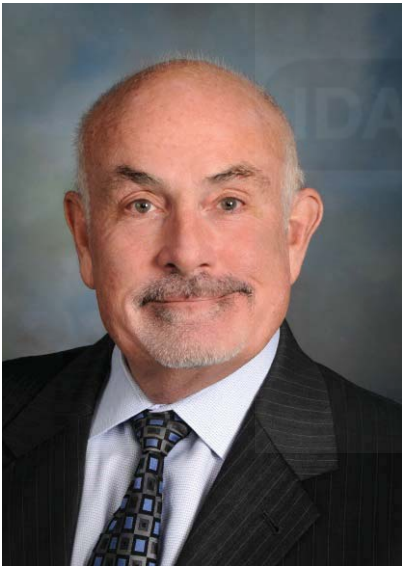
**Provide professional investment governance to our stakeholders consistent with our constitutional and statutory mandates.**

# Trust Assets Overseen by the Investment Board March 31, 2018

	<b>Assets</b> <b>(<u>\$millions</u>)</b>	<b><u>% of Total</u></b>
Land Grant Endowments	2,178.2	72.3%
State Insurance Fund	739.1	24.6%
Bunker Hill Water Treatment	65.6	2.2%
Fish & Game Endowments	23.6	0.8%
Parks & Rec Endowments	<u>4.4</u>	<u>0.1%</u>
 TOTAL	 <u><u>3,010.9</u></u>	 <u><u>100.0%</u></u>

# Endowment Fund Investment Board Members

**Jerry Aldape**



**Dean Buffington**  
Chairman

**Representative  
Neil Anderson**



# Endowment Fund Investment Board Members

**Warren Bakes**



**Gavin Gee**

**Irv Littman**



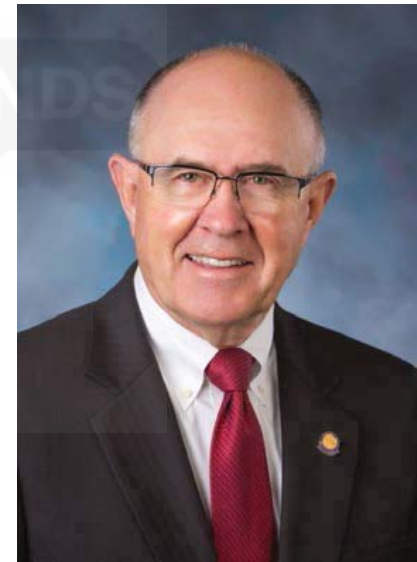
# Endowment Fund Investment Board Members

**Gary Mahn**



**Richelle Sugiyama**

**Senator  
Chuck Winder**



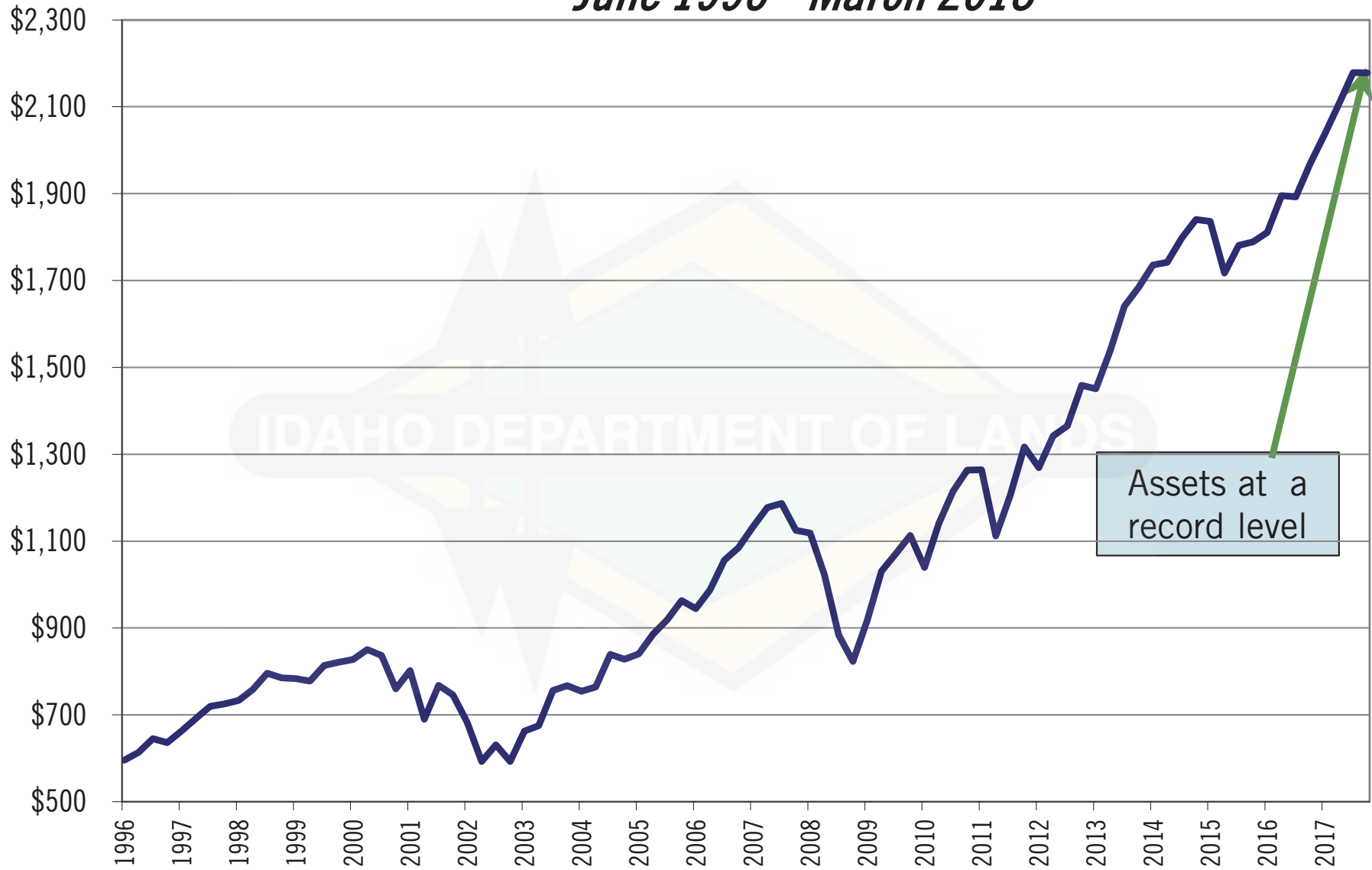
# Financial Summary – Land Grant Endowments

## Nine Months Fiscal Year-to-Date 2018

- Compared to the previous year end:
  - ❑ Total land grant endowment fund balance increased \$142 million, or 7.0%, to \$2.2 billion.
  - ❑ Earnings reserves decreased from \$570 million to \$458 million primarily due to a transfer of \$128 million to the permanent fund.
- Net earnings reserve receipts from endowment lands for the first nine months were \$37.5 million.
- Total investment return was 8.3% for the first nine months and 8.3% annualized for the last five years. This is 1.1% above the benchmark for the first nine months and 0.1% above for the last five years.

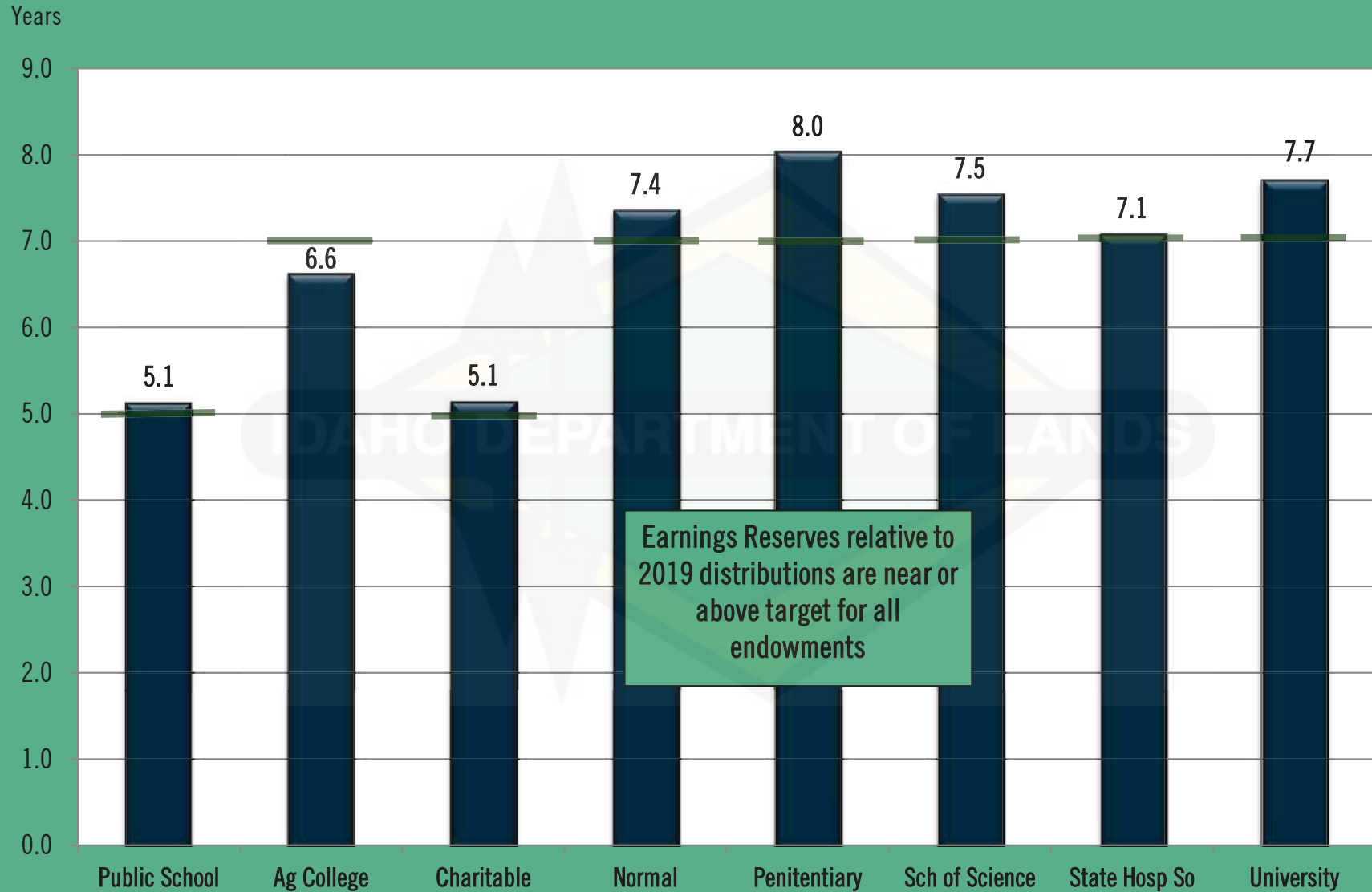
# Total Land Grant Endowment Fund Assets

## *June 1996 - March 2018*



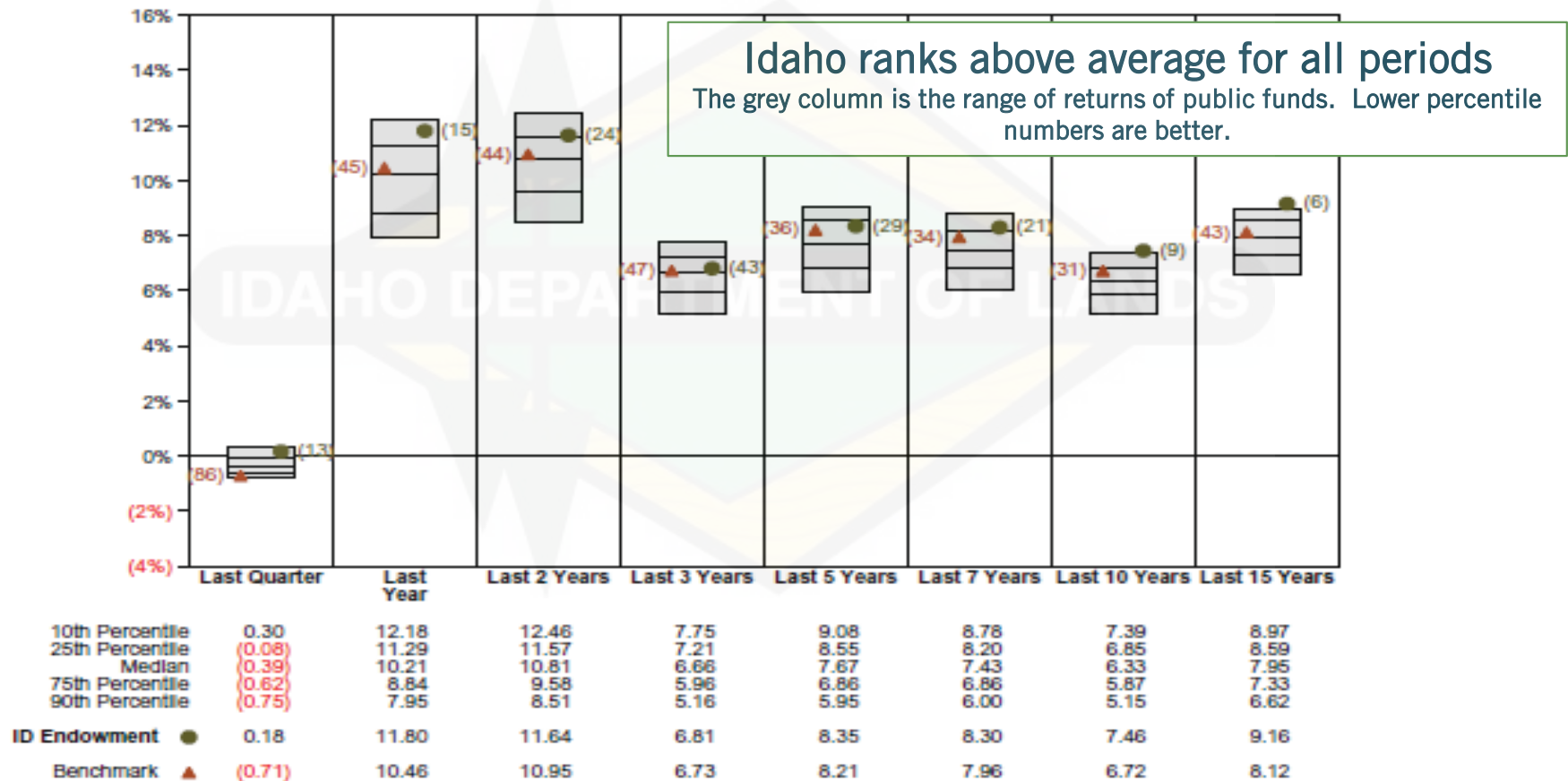


# Years of Reserve and Desired Target March 2018



# Idaho Endowment Performance vs. Public Plans – Periods Ended March 31

Performance vs Callan Public Fund Sponsor Database (Gross)



# School Bond Credit Enhancement Program

EFIB administers a Credit Enhancement program that allows eligible voter-approved school bonds to be issued with a AAA rating (the highest possible) which is above the State's AA+ rating.

- EFIB will provide credit enhancement on up to \$1.2 billion in bonds.
- The limit per school district is \$40 million.
- Backed by \$300 million in Public School Endowment Fund assets.
- AAA rating currently lowers the issuer's interest rates around 0.05% or 5 basis points annually (material savings on multi-million dollar issues).

# School Bond Credit Enhancement FYTD 18

Through 3/31/18

- \$756 million of outstanding bonds guaranteed.
- \$50.5 million of new bonds issued during FY2018.
- Eight school districts have been involved in FY2018 (two more applied in April 18).
- \$19,403-total Fees collected by EFIB.
  - \$3,000 in Application Fees (\$500 application fee, two schools applied in FY 17, but issued in FY 18).
  - \$16,403 Guaranty Fees (based on .02% of total Principle and Interest).

STATE BOARD OF LAND COMMISSIONERS

May 15, 2018  
Regular Agenda

SUBJECT

Earnings Reserve Levels

BACKGROUND

During the State Board of Land Board Commissioners meeting on April 17, 2018, representatives from Callan presented an update to the Asset Allocation and Distribution Study that was originally conducted in 2014. The update was designed in part to consider and address changes in Callan's forward-looking capital market expectations and changes that have taken place in land holdings.

Callan's report included several important observations. First, they expect the average annual investment returns on the Endowment Fund to decline from 6.8% to 6.3% over the next ten years. This is primarily driven by current equity valuations and low interest rates. Second, despite outstanding efforts by the Department of Lands to increase sustainable harvests it is expected that future net land revenues will decline and become more volatile due to the sale of cottage sites. The cottage sites have historically provided a stable source of lease revenue.

In order to maintain the same level of confidence in our ability to make stable distributions to beneficiaries, Callan recommended in their report an increase in earnings reserve levels on two of the eight endowments. More specifically, they recommend increasing the earnings reserve level for Public School from 500% to 600% and for Charitable Institutions from 500% to 700%. They also recommend the temporary reserve levels of 700% for State Hospital South and Normal School be made permanent.

DISCUSSION

The Endowment Fund Investment Board held a special meeting on March 12, 2018 to review a draft of the Asset Allocation and Distribution Study and supports Callan's recommendation to increase earnings reserve levels. The Endowment Fund Investment Board recommends that the State Board of Land Commissioners modify its distribution policy to adopt the new reserve levels as shown in Attachment 1.

RECOMMENDATION

Modify the Land Board Distribution Policy to adopt the recommended new reserve levels.

BOARD ACTION

ATTACHMENT

1. Revised Land Board Distribution Policy

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**

# Land Board Distribution Policy

## Distributions to Beneficiaries

### Objectives

The ultimate purpose of Idaho's land grant endowments is to provide a perpetual stream of income to the beneficiaries. To guide the determination of future distributions for Idaho endowments, the following objectives, in priority order are established by the Land Board:

1. Avoid reductions in total endowment distributions.
2. Maintain adequate Earnings Reserves to protect distributions from temporary income shortfalls.
3. Grow distributions and permanent corpus faster than inflation and population growth.

### Considerations

In determining distributions, the Land Board, with assistance from the EFIB, considers the following for each endowment:

- Actual and expected return on the fund and income from the land.
- Expected volatility of fund and land income.
- The adequacy of distributable reserves to compensate for volatility of income.
- The beneficiary's ability to tolerate declines in distributions.
- Need for inflation and purchasing power protection for future beneficiaries.
- Legal restrictions on spending principal.

### Policy Description

Based on the above objectives and expected returns of the entire portfolio (lands and funds), the Land Board has established the following Distribution Policy\*:

- Distributions are determined individually for each endowment (currently 5% for all endowments except State Hospital South which is 7%.)
- Distributions are calculated as a percent of the three-year rolling average Permanent Fund balance for the most recently completed three fiscal years. The Land Board may adjust this amount, depending on the amount in the Earnings Reserve, transfers to the Permanent Fund, and other factors.
- The levels of Earnings Reserves deemed adequate for future distributions are:
  - ~~56~~ years – Public School, Charitable and State Hospital South
  - ~~6~~ years – Normal School
  - 7 years – Agricultural College, Penitentiary, School of Science and University All other endowments
- The Land Board may transfer any balance in an Earnings Reserve Fund in excess of an adequate level to the corresponding Permanent Fund and designate whether the transfer will or will not increase the Gain Benchmark.
- The principal of the Permanent Endowment Funds, adjusted for inflation, will never be distributed, to protect the future purchasing power of the beneficiaries.

The Distribution Policy was developed based on many analyses, assumptions and constraints and its administration requires many interpretations of nuances. The EFIB has documented most of these in the Distribution Principles used by the EFIB as a basis for making its recommendations to

the Land Board. However, these Principles have not all been reviewed and approved by the Land Board.

*\* The Distribution Policy is different for the Capitol Permanent Fund. Idaho Code 67-1601 specifies that on July 1 of each fiscal year, the EFIB shall distribute a percentage of the value of the Capitol Permanent Fund.*





STATE BOARD OF LAND COMMISSIONERS

May 15, 2018  
Regular Agenda

SUBJECT

Idaho Department of Lands Director Recruiting Extension

BACKGROUND

The Idaho Department of Lands Director, Tom Schultz, resigned effective February 23, 2018 (final day in office was January 15, 2018). On January 16, 2018, the State Board of Land Commissioners (Land Board) established an Acting Director and directed the preparation of the necessary documents to solicit applications for a permanent Director of the Idaho Department of Lands (IDL).

On February 20, 2018, the Land Board approved the initial plan and timeline for the recruitment of a new Director (Attachment 1). The position was openly recruited from March 1, 2018 – April 15, 2018.

DISCUSSION

The Department received applications from a number of well-qualified candidates during the initial open recruitment period; however, external circumstances may have contributed to some qualified candidates not applying during that initial period.

RECOMMENDATION

The Department recommends extending the open, competitive recruitment for the Director of the Idaho Department of Lands using the following timeline. All candidates that applied during the first recruitment period shall be considered and do not need to re-apply.

Recruiting Timeline:

<u>Action</u>	<u>Dates</u>
Recruiting Extension Approved	May 15
Open Recruitment	May 16 – June 16
Applicant Screening	June 18 – July 6
Schedule Interviews/Reference Checks	July 6 – July 27
Interviews	August 3

BOARD ACTION

ATTACHMENTS

1. February 20, 2018 Approved Memo

THIS PAGE INTENTIONALLY LEFT BLANK

**IDAHO DEPARTMENT OF LANDS**

STATE BOARD OF LAND COMMISSIONERS  
February 20, 2018  
Regular Agenda

SUBJECT

Idaho Department of Lands Director Recruiting Process

BACKGROUND

The Idaho Department of Lands Director, Tom Schultz, resigned effective February 23, 2018 (final day in office was January 15, 2018). On January 16, 2018 the State Board of Land Commissioners (Land Board) established an Acting Director and directed the preparation of the necessary documents to solicit applications for a permanent Director of the Idaho Department of Lands (IDL).

In 2011, the Department recruited through an open competitive process. The announcement was advertised from May 1, 2011, through June 30, 2011, for a total of sixty-one (61) days. The recruitment attracted over one hundred fifty (150) applications and the Land Board interviewed the top four (4) applicants. Mr. Schultz was hired on September 26, 2011.

DISCUSSION

The recruiting process comprises the following elements:

1. Recruiting
  - a. Time frame for open recruitment
  - b. Pay range to post
  - c. Recruiting sources
  - d. Announcement language
2. Applicant Screening
  - a. Process
3. Interviews
  - a. Process
  - b. Venue
  - c. Dates
  - d. Interview questions
4. References
  - a. Process
5. Offer
  - a. Presentation of the job offer
6. Background Checks
  - a. Process
7. Announcements
  - a. Press release
  - b. Internal announcements
8. Overall Timeline
  - a. Dates approved

## RECOMMENDATION

The Department recommends the following process and timeline for conducting an open, competitive recruitment for the Director of the Idaho Department of Lands.

### 1. Recruiting

- a. Time Frame: March 1, 2018 – April 15, 2018
- b. Pay Range: \$129,000 – \$139,000 (\$62.02 – \$66.83)
- c. Recruiting Sources:
  - i. Passive Advertising
    1. Standard Boards: DHR, IDL, and DOL websites
    2. Social Media: Facebook, LinkedIn, and Twitter
    3. Specialty Boards: TheLadders, Indeed, SAF
  - ii. Active Search
    1. Leverage Current Leadership: Leverage current leadership connections on LinkedIn
    2. Seek Referrals: Internal and external outreach
    3. Specialty Resume Databases: Indeed, TheLadders, and eforester.org, to build targeted recruitment campaigns
- d. Announcement Language: Recommended language (Attachment 1)

### 2. Applicant Screening

- a. Idaho Department of Lands Human Resources receives the applicants' resumes and cover letters, tracks them, and conducts a pre-assessment based on defined criteria. Applicants who meet criteria will be provided to the Land Board to select interviewees.
  - i. Recommended Criteria:
    1. Total years of management experience
    2. Total years of experience in natural resources field
    3. Highest position held
      - a. Company size
    4. Degree(s) attained

### 3. References

- a. IDL Human Resources will conduct reference checks for all selected interviewees and will provide a written report for the Land Board prior to the interview date.

### 4. Interviews

- a. IDL Human Resources will schedule interviews for the selected applicants on May 22, 2018 in the Garnet Conference room in the IDL Staff office. IDL Human Resources will provide recommendations for interview questions.

5. Post Interview

- a. IDL Human Resources will provide the Land Board with an offer letter to present to the chosen applicant.
- b. Prior to announcing, IDL Human Resources will conduct a background check and credit check of the applicant who is offered the position.
- c. Prior to announcing, IDL Human Resources will notify all unsuccessful interviewed applicants.
- d. IDL Human Resources and IDL Public Information Officers will draft and distribute a press release for the Land Board. Concurrently, an internal announcement will be drafted and distributed to agency personnel.

6. Recruiting Timeline

<u>Action</u>	<u>Dates</u>
Recruiting Plan Approved	February 20
Open Recruitment	March 1 – April 15
Applicant Screening	April 15 – April 30
Schedule Interviews/Reference Checks	April 30 – May 18
Interviews	May 22

BOARD ACTION

A motion was made by Attorney General Wasden that the Board approve the Department recommendation concerning the hiring process as outlined in Tab 5 of the Board materials. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

ATTACHMENTS

- 1. IDL Director Announcement

