

The State Land Board met in regular session on December 12, 2000 in the Land Board Room of the State Lands Building, 775 Summer Street NE, Salem, Oregon 97301-1279.

Present were:

John A. Kitzhaber Governor

Jim Hill State Treasurer

Assistants

Louise Solliday
Mari Anne Gest

Staff

Ann Hanus
John Lilly
Steve Purchase
Jeannette Holman
Gail Lowry

Dept. of Justice

Bill Cook

Governor Kitzhaber called the meeting to order. The topics discussed and the results of those discussions are listed as follows. Further details of the discussions may be obtained in the written transcript of the meeting available at the Division of State Lands, 775 Summer Street NE, Suite 100, Salem, Oregon 97301-1279 (phone: (503) 378-3805).

1. Request for authorization to initiate rulemaking to revise the administrative rules governing the granting of leases and licenses for sand and gravel from state-owned submerged and submersible land (OAR 141-014-0070 through 141-014-0120).

Director Ann Hanus explained to the Board that legislation passed dealing with this issue in 1995 and the Division has not updated the rules since that time. She said this would allow the agency to move forward with the revision of these administrative rules.

State Treasurer Hill moved that rulemaking be initiated to revise the administrative rules governing the granting of leases and licenses for sand and gravel from state-owned submerged and submersible land.

Governor Kitzhaber seconded the motion and the approval was unanimous.

2. Request for approval to appear before the January 2001 Legislative Emergency Board to seek Other Fund expenditure limitation to reimburse the BLM for fire suppression costs and additional costs for rehabilitation of the common school forest lands.

Director Ann Hanus told the Board that these costs were incurred because of two fires on state lands that were suppressed by the BLM. Hanus said the agency is working to negotiate down the charges by BLM for the cost of one of the two fires. She asked the Board for authorization to go before the January 2001 Legislative Emergency Board to request expenditure limitation to reimburse BLM for these charges.

State Treasurer Hill moved the Board approve the request to appear before the January 2001 Legislative Emergency Board to seek \$250,000 of additional Other Funds expenditure limitation to reimburse the BLM for fire suppression costs and for additional costs associated with rehabilitation of fire on common school forest lands.

Governor Kitzhaber mentioned his meetings with the Western Governor's Association where they discussed federal reimbursement for extraordinary costs states have incurred. He questioned whether this situation might fall within this category. Assistant Director Steve Purchase said that it would not.

Governor Kitzhaber seconded the motion and the approval was unanimous.

3. Request for approval of the Asset Management Plan Implementation Progress Report, authorization to transmit the Report to the 2001 Legislature, and direction to update the Plan.

Director Ann Hanus briefly explained that the Division is requesting the Board's approval to transmit the Asset Management Plan Implementation Progress Report to the 2001 Legislature and to direct the Division to update The Plan to reflect new policies, rules and initiatives, such as the Oregon Plan for Salmon and Watersheds, the

Governor's Sustainability Initiative, the Government to Government Executive Order, the Community Solutions Team process for regional problem solving, and long-range planning for the Capitol Mall buildings.

State Treasurer Hill moved the Land Board authorize the Division to transmit the Report to the Legislature and update the Plan. Governor Kitzhaber seconded the motion and the approval was unanimous.

Consent Agenda

- 4. Status report on the Division's 2001 legislative concepts.**
- 5. Request for approval of the minutes of the State Land Board meeting for October 9, 2000.**

Director Hanus briefly reviewed the Consent Agenda. Governor Kitzhaber moved the items be approved and State Treasurer Hill seconded the motion. The approval was unanimous.

Informational Items

Director Ann Hanus asked John Lilly, Assistant Director for Policy, Planning and Administration, to provide reports on the next two items.

- 6. Statewide Programmatic General Permit status report.**

Lilly told the Board that the agency has been working for several years to streamline the removal-fill permitting program, with one of the major efforts this past 12-14 months being working towards the completion of the Statewide Programmatic General Permit with the Corps of Engineers.

The Corps' issuance of this permit will allow the state to give permittees a single permit for removal-fill permits that occur within certain levels of activities. Lilly said one key aspect of this would be consultation with the National Marine Fisheries Service and the US Fish and Wildlife Service to allow truly one-stop permitting for both the state and federal process.

Lilly said that public hearings and workshops will take place in the coming year to inform the public what the State of Oregon is attempting to do with streamlining permitting and providing greater resource protection.

Governor Kitzhaber said he would take the lead to contact the new President's cabinet to discuss our interest in this and try to facilitate the process.

7. Navigability status report.

Lilly said the Board authorized the Division last June to begin a navigability study on the Sandy River. He added that property owners and interest groups have been notified about the initiation of the study. Jeff Kroft of the Division's staff has been working at compiling the draft study, which should be released for public review after January. Public hearings will be held, one in the Troutdale area and one in the Sandy River area to collect public comment on the draft study.

He reported also that there continues to be activity on the *Northwest Steelheaders v. Simantel* lawsuit concerning the rights of fishermen to use the bed and banks of the lower John Day River. The judge ordered the Steelheaders to call other property owners affected by the reach of the waterway into the case. Lilly said the trial might not occur for several months.

Lilly said the agency has been working with stakeholders and interest groups to find management solutions to conflicts on the waterways between users and waterfront property owners.

8. Other.

With this being the final meeting for State Treasurer Hill, Governor Kitzhaber acknowledged the huge contribution that Treasurer Hill made to the State of Oregon, as a state representative, as a state senator, as Treasurer and as a member of the Land Board. The Governor said it has been an honor to serve with him.

Director Hanus presented State Treasurer Hill with a plaque from the Division of State Lands' staff thanking him for all his work on the Board.

Governor Kitzhaber acknowledged Steve Purchase for performing duties "above and beyond anyone's expectations as the Acting Director" for the agency during the interim period. Purchase was presented with a plaque signed by the three members of the Board honoring him for his work.

The Governor adjourned the meeting at 9:45 am.

John A. Kitzhaber, Governor

Ann Hanus, Director