



Oregon

Theodore R. Kulongoski, Governor

Department of State Lands

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The State Land Board met in regular session on October 12, 2010, in the Land Board Room of the State Lands Building, 775 Summer Street NE, Salem, Oregon 97301-1279.

State Land Board

Present were:

Theodore Kulongoski Governor
Kate Brown Secretary of State
Ted Wheeler State Treasurer

Theodore R. Kulongoski
Governor

Kate Brown
Secretary of State

Land Board Assistants

Michael Carrier Governor's Office
Barry Pack Secretary of State's Office
Michael Selvaggio State Treasurer's Office

Ted Wheeler
State Treasurer

Staff

Louise Solliday Julie Curtis Lorna Stafford
Jim Paul Cyndi Wickham Bill Ryan
Nancy Pustis John Russell Lanny Quackenbush

DOJ

Jas Adams

Governor Kulongoski called the meeting to order at 10:09 a.m. The topics discussed and the results of those discussions are listed below. Further details of the discussions may be obtained in the transcript of the meeting available at the Department of State Lands, 775 Summer Street NE, Suite 100, Salem, Oregon 97301-1279 or by calling 503-986-5224.

Consent Agenda

1. a. **Request for approval of the minutes of the June 8, 2010 State Land Board meeting.**
- b. **Request for approval of a land and mineral exchange between the Oregon Board of Forestry, State Land Board and Starker Forests in Polk, Benton and Lincoln Counties.**
- c. **Request for conditional approval of the exchange of mineral rights along with a land exchange between the Board of Forestry and the City of Cannon Beach in Clatsop County.**
- d. **Request for approval of the release of Department of Administrative Services' mineral rights along with the sale of the former Oregon School for the Blind in Marion County.**

Director Solliday reviewed the consent agenda. Regarding item 1c, she explained that the Oregon Hunters Association filed an appeal of the Board of Forestry's



decision and the Land Board's approval would be conditional on the outcome of their appeal. The consent agenda was approved.

Action Agenda

2. Re-appointment of the director to another four-year term.

Mike Carrier recommended that the board appoint Louise Solliday to another four-year term as the Director, effective immediately.

Treasurer Wheeler discussed the importance of customer service and outreach to Oregonians. Secretary Brown asked about customer service ratings over the past four years. Director Solliday responded that customer service is a priority for her and, while ratings have gone up over the past four years, the department is still focused on improving customer service.

Treasurer Wheeler moved to approve the re-appointment. A roll call vote was taken and the item passed unanimously.

3. Request for final approval of the sale of 8 scattered forest parcels in Benton and Lincoln Counties.

Director Solliday explained that the Board approved the potential sale of seventeen parcels at their June meeting. After the department conducted outreach, eight parcels were selected to be auctioned in November 2010.

Marcia Dennison testified before the Board in opposition to the sales. She stated that the laws and procedures were not followed.

Governor Kulongoski asked Assistant Attorney General Jas Adams if the laws were followed for the sale of the forest parcels. Mr. Adams responded that based on information and belief, he understood that applicable legal requirements were followed for the sale of the several parcels of Common School Fund forestland.

Secretary Brown moved to approve the item. Treasurer Wheeler seconded. The item was approved.

4. Request for approval to purchase a 0.45-acre parcel of land in Bend.

Governor Kulongoski pulled this item from the agenda pending the results of an environmental contamination assessment and a Department of Justice review of the conflict of interest issue.

5. Public participation in Land Board decision-making.

Director Solliday explained that the agenda item was in response to a request from Columbia Riverkeeper asking the Board to take public testimony on liquefied natural gas projects. She also explained that customary practice of the Board was to take public comment only on issues that are on the meeting agenda.

Treasurer Wheeler proposed the Board adopt a resolution that acknowledges the importance of public involvement in activities of the Board. The resolution also states that the Board will hold public meetings around the state, when feasible.

Secretary Brown encouraged the public to contact Board members' offices with their issues and concerns. She said that while she cannot directly answer hundreds of individual emails, she can and does meet with organizations to discuss issues related to the business of the Board.

Public testimony was given by the following individuals in support of the resolution: Olivia Schmidt, Milwaukie; Lolita Carl, Hubbard; Lori Durheim, Astoria; Ted Thomas, Astoria; Kathleen Carl, Salem; Dan Serres, Portland; and Martha Pagel with the law firm of Schwabe, Williamson and Wyatt.

Treasurer Wheeler moved to adopt the resolution. Secretary Brown seconded. The resolution was adopted.

Informational Agenda

6. Annual report on Common School Forest Lands management.

State Forester Marvin Brown reported on the performance of Common School Forest lands for fiscal year 2010. Net revenue to the Common School Fund from forestry receipts was \$5.8 million. 24.8 million board feet were harvested. Both figures are down from 2009. Management costs, however, were lower than previous years and timber sales purchased in 2010 were up from 2009, which will help increase revenues over the next three years.

Governor Kulongoski expressed his concern saying that if the market doesn't improve fairly quickly, the state will no longer have the capacity to process the volumes of timber it used to process.

7. Status report on the Elliott State Forest planning efforts.

State Forester Marvin Brown reviewed the direction given by the Board at their February 2010 meeting. He stated that, in his opinion, agreement with the National Marine Fisheries Service on the Habitat Conservation Plan was unlikely. Staff has begun working on a take avoidance plan that will be implemented if agreement cannot be reached by the end of the year.

8. Biennial report on the Wetlands and Waterways Conservation Division.

Bill Ryan, Assistant Director of the Wetlands and Waterways Conservation Division reported on activities in his division for fiscal years 2009 and 2010. The Board discussed the rise in placer mining activities. Director Solliday told the Board that Senator Jason Atkinson has publicly expressed concerns over placer mining in Southern Oregon. Director Solliday and the directors of the Department of

Environmental Quality and Department of Fish and Wildlife have offered to work with the Senator to draft legislation for the 2011 session. Governor Kulongoski asked staff to update the Board in December on the status of placer mining in Oregon and any progress related to drafting legislation.

The meeting was adjourned at 11:30 a.m.



Theodore R. Kulongoski, Governor



Louise Solliday, Director