

The State Land Board met in regular session on October 9, 2001 in the Land Board Room of the State Lands Building, 775 Summer Street NE, Salem, Oregon 97301-1279.

Present were:

John A. Kitzhaber Governor

Bill Bradbury Secretary of State

Assistants

Louise Solliday
Paddy McGuire
Inga Deckert

Staff

Ann Hanus
John Lilly
Steve Purchase
Jeannette Holman
Gail Lowry

Dept. of Justice

No one present

The Governor called the meeting to order at 10:03 am. 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 St. NE, Suite 100, Salem, Oregon 97301-1279, (phone: (503) 378-3805).

Director Ann Hanus commended Division of State Lands' employees for their efforts in raising \$1,000 for victims of the September 11 tragedy. She recognized the committee that coordinated the fundraising events: Larry Larimer, Sandi Zeigler, Monte Turner, Deborah Sinnett, Faye Reynolds, Susie Petersen, Pat Hostetler, Ruth Kukaska, and Bill Menius. Hanus thanked them for their efforts. Governor Kitzhaber also thanked the staff and said the tremendous generosity and big hearts of state employees never ceases to amaze him.

Director Hanus informed the Board that an additional item had been added to the agenda – a grant request for the Oregon Natural Heritage Program (Item 2e) that required Land Board approval for DSL to appear before the Emergency Board for permission to apply for the grant.

1. Request for approval to appear before the January 2002 Legislative Emergency Board to seek additional Other Funds expenditure limitation to reimburse the Bureau of Land Management for fire suppression costs and additional costs for rehabilitation of common school forest land.

Director Hanus introduced this item requesting to appear before the Emergency Board to seek additional Other Fund expenditure limitation to reimburse the BLM for fire suppression costs and for rehabilitation of the forest lands and rangelands. She said updated numbers show approximately 8,700 acres burned mostly rangelands in Lake, Harney and Malheur Counties. Hanus said the costs are likely to be significant and that the agency will negotiate with the BLM on the final bill for the fire suppression.

Hanus added that she, Steve Purchase and Nancy Pustis from the Division are working on a longer-term fire agreement for the unprotected lands. She said costs for the long-term agreement would be included in the request to the Emergency Board.

Secretary of State Bradbury moved the Board approve this request. Governor Kitzhaber seconded the motion. Secretary of State Bradbury commented that, since the costs will be great, he hoped the Division would vigorously negotiate with the BLM. Hanus noted that when Purchase negotiated last year, he reduced the bill by nearly one half.

Consent Agenda

2a. Request for approval to appear before the November 2001 Legislative Emergency Board for increased Federal Funds expenditure limitation authority for the South Slough National Estuarine Research Reserve. This will enable the reserve to expend Federal Funds in the 2001-03 biennium to assist with the Reserve's current and ongoing efforts to monitor the recovery of coho salmon and sea-run cutthroat trout habitat.

b. Request by the Tri-County Metropolitan Transportation District of Oregon for a permanent easement across the submerged and submersible lands of the Columbia Slough in Multnomah County.

- c. Request for authority to initiate rulemaking to amend the rules governing the unclaimed property and estates program.**
- d. Request for approval of minutes of State Land Board meetings on June 12, 2001 and August 21, 2001.**
- e. Request to appear before the November 21 Legislative Emergency Board to request permission to apply for a USFWS grant and to increase the Oregon Natural Heritage Program Federal Funds expenditure authority.**

Director Hanus briefly reviewed each item on the Consent Agenda. Secretary of State Bradbury moved the Consent Agenda be approved. Governor Kitzhaber seconded the motion and the approval was unanimous.

Informational Items

3. Status of common school forestland management and Department of Forestry annual report.

Director Hanus introduced Steve Thomas, Assistant State Forester, and Ross Holloway, Program Director for State Forests. In a brief overview of the annual report, he said the net CSF revenue for fiscal year 2001 or 2002 was \$14.6 million, which is in the range of what it has been the past six years. He said management costs last year were 24 percent of the gross revenues, whereas the range from 1996-2001 has been 19 to 27 percent, so it is within the range. He added that revenues should stay at about the same level in the year to come.

Thomas discussed the efforts on the Elliott State Forest in regards to the Oregon Plan for Salmon and Watersheds. He said they continue to work with the watershed groups on the Tenmile Lake and the Coos watershed in coordinating projects. He added that all major high priority culverts were replaced last year. They are still doing some road decommissioning and stream improvement through timber and boulder replacement.

He reported that work is underway to assess the two major standards: the Forest Stewardship Council and the Sustainable Forestry Initiative. Thomas said that using the Elliott State Forest and the Sun Pass State Forest, they would determine how these state lands match up with those standards to assist them in evaluating these assessment tools and to help determine how Forestry might utilize these two standards. He said a study proposal will be brought to the Board in early 2002 regarding how Forestry might approach the issue of forest certification with the Elliott and Sun Pass Forests.

Thomas discussed the revision of the Forest Management Plan for the Elliott State Forest. He said the planning team is in the process of reviewing alternatives, management models and incorporating a watershed analysis. He also added that public hearings had been held in Coos Bay, Salem and Roseburg to reevaluate the array of management approaches. Early next year, Forestry will bring information to the Board regarding the outcomes of those efforts.

Secretary of State Bradbury asked Thomas about the different certification standards. Thomas replied that the FSC (Forest Stewardship Council) and the SFI (Sustainable Forestry Initiative) are the major certification processes going on nationwide.

4. Status report on transfer of Natural Heritage Program to Oregon State University.

Director Hanus said the agency is making plans to transfer the Oregon Natural Heritage Program to the new Natural Resource Institute at Oregon State University. She added that negotiations would determine which functions should go, given DSL's responsibilities. She added that a proposal would be brought to the Board probably at the end of the year.

5. Status report on permit streamlining and removal-fill rulemaking.

Director Hanus said John Lilly and Eric Metz, both staff of the Division, have been spearheading this project to get a statewide programmatic general permit as well as state 404 assumption, in line with Senate Bill 172. Hanus said the technical advisory group has met twice on this and have identified 30 issues and are working with federal agencies to address these issues. Hanus said they would keep the Board posted on this and on the rulemaking effort in the removal-fill program.

6. Status report on the Oregon Plan.

Director Hanus said written information was provided the Board on DSL's Oregon Plan related efforts to streamline the wetlands program, impact land management areas, and issues regarding the efforts of South Slough with their education and research.

7. Summary of 2001 legislation.

Director Hanus referred to the written materials provided to the Board, which summarize the 2001 legislation and budget notes pertaining to the Division.

With no further business, Governor Kitzhaber adjourned the meeting at 11:20 am.

John A. Kitzhaber
Governor

Ann Hanus
Director