



Oregon

Kate Brown, Governor

Department of State Lands

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The State Land Board met in regular session on February 9, 2016, in the Land Board Room at the Department of State Lands, 775 Summer Street NE, Salem, Oregon.

State Land Board

Present were:

Kate Brown
Governor

Kate Brown
Ted Wheeler

Governor
State Treasurer

Jeanne P. Atkins
Secretary of State

Land Board Assistants

Richard Whitman
Robert Taylor
Kristin Dennis

Governor's Office
Secretary of State's Office
State Treasurer's Office

Ted Wheeler
State Treasurer

Department Staff

Stephanie Hallock Cummins
Lorna Stafford

Jim Paul
Chris Castelli

Bill Ryan
Julie Curtis

Cyndi Wickham
Lanny Quackenbush

Department of Justice

Matt DeVore

Governor Brown called the meeting to order at 10:05 a.m. The topics discussed and the results of those discussions are listed below.

Governor Brown opened the meeting by stating that Secretary Atkins was out of the state and excused from the meeting.

CONSENT AGENDA

1. a. **Request for approval of the minutes from the December 8, 2015 State Land Board meeting.**
- b. **Request for approval of a permanent bridge easement over Hoquarton Slough in Tillamook County.**
- c. **Request for approval of a permanent road easement in Wallowa County.**
- d. **Request for approval of a permanent road easement in Klamath County.**
- e. **Request for approval of a permanent easement for a sewer line crossing the Snake River in Malheur County.**

Interim Director Stephanie Hallock Cummins briefly described the items on the consent agenda.

Related to item 1b, Governor Brown asked if there were any comments submitted in opposition to the easement application. Director Cummins said there were none. Director Cummins also confirmed that no negative comments were received on the remaining agenda items, either; and that all required payments must be received before the easements will be issued.

Treasurer Wheeler moved to approve the consent agenda. There were no objections. The consent agenda was approved.

INFORMATIONAL AGENDA

2. Oregon Department of Forestry's annual report on the management of Common School Forest Lands.

Director Cummins explained that the Department of Forestry (ODF) will be presenting their annual report on the management of Common School Forest Lands (CSFL) for fiscal year 2015 and will be back in June to seek approval for their 2017-2019 budget for management of CSFL. Director Cummins introduced State Forester Doug Decker to make the presentation.

State Forester Decker introduced himself and State Forests Division Chief Liz Dent. He provided an overview of the management of Common School Forest Lands by the Department of Forestry. He stated that ODF manages about 117,000 acres of forestland, 82,000 acres of which are in the Elliott State Forest. State Forester Decker discussed the transition that is taking place, noting there has been improvement on metrics related to volume harvested, value returned and a decrease in management costs. He also stated that this is the first year since the marbled murrelet litigation that there has been a positive net operating income on CSFL. He said this is mainly due to conscious changes made on the Elliott, including the reduction of nine positions. Other efforts included shifting timber sales to younger stands and increased activity on other CSFL outside the Elliott.

State Forests Division Chief Liz Dent provided some highlights from the annual report. She pointed out increases from 2014 in harvest volume, revenue transferred to the Common School Fund, net operating income and sales sold; and a decrease in management costs. She acknowledged that management levels are still not what they were in the past. She noted that improved timber value (48% increase) and the decrease in expenditures were the main drivers for this positive trend. She said that there has been a concerted effort by ODF to do more with less, which is not a sustainable model over the long term.

Ms. Dent said that there are no planned sales for the Elliott for 2016. The work that is going on now will terminate by March 1, 2017. However, staff is working on potential sales that will be in reserve and ready to go on fairly short notice. She also discussed other management activities on CSFL, including young stand management, stream restoration projects, identifying locations and habitat needs for endangered species, and road improvement work to protect water quality.

Governor Brown asked if the nine staff positions that were eliminated came from the agency as a whole or were they located in the region of the Elliott State Forest.

Ms. Dent responded that the positions were located in the Coos office for managing the Elliott.

Treasurer Wheeler asked where the fire protection assessment fits into the net operating income (NOI). Is it assessed prior to determining the NOI?

Ms. Dent said that the assessment was for a total of \$324,000 and was deducted prior to the NOI calculation. He asked if the same was true for the Coos District number. Ms. Dent said it was. *(Note: Director Cummins double checked this fact after the meeting and Ms. Dent said she had spoken in error – the fire protection assessment had not been deducted prior to the NOI calculation.)*

Treasurer Wheeler asked for an explanation of the total project costs for 2015.

Ms. Dent said these are most typically costs associated with road construction and road maintenance. Site preparation for reforestation is another cost under this category.

Treasurer Wheeler asked if this cost was also netted out for the NOI. Ms. Dent said that it was. (See previous note above.)

Bill Kluting with Carpenters Industrial Workers provided comments to the Board stressing the importance of and need for timber harvests in the region.

ACTION AGENDA

3. Appointment of the director.

Interim Director Cummins thanked the Board for the opportunity to lead the agency and said she would be staying to work on the Elliott State Forest project.

Governor Brown thanked her for her leadership and for stepping in during the interim.

Richard Whitman, Governor Brown's Natural Resource Policy Advisor provided the Board with an overview of the recruitment process for a permanent director for the agency. He said Enrique Sama with the Department of Administrative Services (DAS) was the point person for the recruitment. It was a national recruitment with 41 applications received. Those applications were screened by DAS to determine who met the minimum qualifications. Eight candidates rose to the top of the list for further review and were interviewed by the three Land Board Assistants, which narrowed the field down to four applicants. Those four finalists were interviewed by each Land Board member and the Land Board Assistants recommend the appointment of Jim Paul as the new permanent director of the Department of State Lands. Mr. Paul is currently an assistant director with the Department and also served in several management positions with the Oregon Department of Forestry.

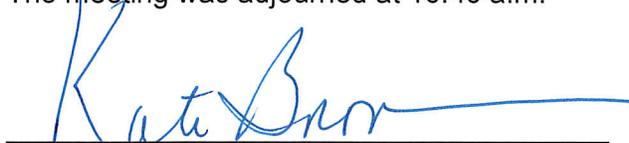
Robert Taylor, Deputy Secretary of State, read a letter from Secretary Atkins thanking Stephanie Cummins for her service as interim director and expressing her support to Jim Paul.

Treasurer Wheeler moved to accept the unanimous recommendation of the Land Board Assistants that the Land Board appoint Jim Paul as the new director of the Oregon Department of State Lands, effective February 9, 2016 for a four-year term.

There was no opposition. The appointment was approved.

Mr. Paul expressed his appreciation to the Board for their trust and confidence. He told staff he looks forward to leading the agency through recent changes. He also said he will strive to continue to maintain and grow the public's trust and confidence in DSL.

The meeting was adjourned at 10:40 a.m.



Kate Brown, Governor



Stephanie Hallock Cummins, Interim Director