



Oregon

Kate Brown, Governor

Public Wi-Fi logon: LandsDSL

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

STATE LAND BOARD

Tuesday, February 9, 2016

10:00 am – Noon

Oregon Department of State Lands

Land Board Room

775 Summer St NE

Salem, Oregon

State Land Board

Kate Brown

Governor

Jeanne P. Atkins

Secretary of State

MEETING AGENDA

Ted Wheeler

State Treasurer

Consent

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.

Informational

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

Action

3. Appointment of the director.
4. Other.

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Lorna Stafford at (503) 871-4323 or lorna.stafford@state.or.us at least two working days prior to the meeting.

Public Testimony - The State Land Board places great value on information received from the public. The Board accepts both oral and written comments on ***consent and action agenda items only***.

When providing testimony, please:

- Provide written summaries of lengthy, detailed information;
- Recognize that substance, not length, determines the value of testimony or written information;
- Endorse rather than repeat the testimony of others;

Written comments may be submitted before or during the meeting for consideration by the Board. Please bring 10 copies for distribution. To speak at the meeting, you must sign in on the sheet provided at the information table located near the meeting room's entrance. The standard time limit is three minutes for each individual. The Board cannot accept testimony on a topic for which a public hearing has been held and the comment period has closed.



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State Land Board

State Land Board

Kate Brown

Governor

Regular Meeting

February 9, 2016

Agenda Item 1b

Jeanne P. Atkins

Secretary of State

Ted Wheeler

State Treasurer

SUBJECT

Request for approval to grant a permanent easement for the replacement and widening of the Highway 101 Bridge to four lanes over Hoquarton Slough in Tillamook County (Appendix A).

ISSUE

Whether the State Land Board should approve a request from the Oregon Department of Transportation for a permanent easement to operate, maintain, repair and replace an existing bridge across Hoquarton Slough in Tillamook County.

AUTHORITY

Article VIII, Section 5 of the Oregon Constitution; requiring the Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management”.

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-122-0010 to 141-122-0120; establishing procedures for granting easements and rights-of-way on trust and non-trust lands and requiring Land Board approval of easements granted in perpetuity.

BACKGROUND

The Oregon Department of Transportation (ODOT) submitted a complete easement application for the bridge crossing. The application was circulated to adjoining property owners, various state and federal resource and permitting agencies, and tribal entities. One significant comment was received from the Department of State Lands

Archaeologist that recommended, because of past historic sites, and the high probability in the project area for encountering additional cultural resources that a new pedestrian survey is performed across the area of potential effect. The pedestrian survey will be completed prior to any ground disturbing activity.

The described bridge on Highway 101 has been in place for many years without an easement authorization. Hoquarton Slough is tidally influenced, therefore, state-owned. This type of use on or over a state-owned waterway requires an easement.

The Oregon Department of Transportation completed and returned the signed Certificate of Approval and Conveyance for the draft easement (Appendix B).

Pursuant to OAR 141-122-0060(7), a compensatory payment of \$100 is required for the easement area, which was paid on December 22, 2014.

RECOMMENDATION

The Department recommends that the State Land Board approve the permanent easement to the Oregon Department of Transportation to operate, maintain, repair and replace a bridge on, over, under or across Hoquarton Slough in Tillamook County.

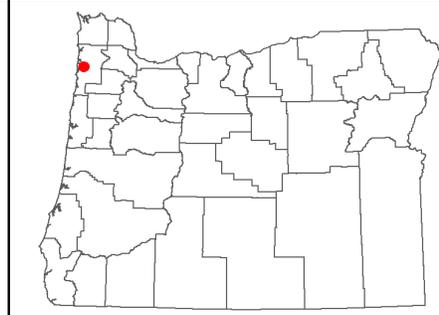
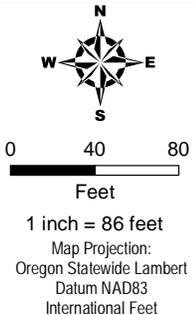
APPENDICES

- A. Site map
- B. Draft easement (55874-EA)

Oregon Department of State Lands Land Management Division



Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



Legend

Authorization Area

Exhibit A

This map depicts the approximate location and extent of a Department of State Lands, Land Management Division authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

State of Oregon
Department of State Lands
775 Summer St, NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 11/2/2015

DRAFT**DRAFT****DRAFT**

STATE OF OREGON
Department of State Lands

EASEMENT NO. 58471-EA
S&S Bridge

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$100.00, hereby grants to GRANTEE,

NAME of GRANTEE: State of Oregon, by and through its Department of Transportation	ADDRESS: 455 Airport Rd SE Bldg A Salem, OR 97301
---	---

an easement and right to construct, maintain, operate and replace a bridge over, upon, and across the following particularly described property situated in Tillamook County, Oregon, more particularly described as follows:

A parcel of land lying in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, Township 1 South, Range 9 West, W.M., Tillamook County, Oregon; the said parcel being all State-owned submerged land lying between the lines of Mean High Tide on the Northerly and Southerly banks of Hoquarton Slough, shown as "Ouquarten Slough" on the official US Surveyor General plat of said Township; the said parcel being that portion of said slough and included in a strip of land 176.00 feet in width, lying 40.00 feet on the Westerly side and 136.00 feet on the Easterly side of the center line of the relocated Oregon Coast Highway, which center line is described as follows:

Beginning at Engineer's center line Station "L" 400+00.00, said station being 3,274.70 feet North and 306.46 feet East of the Southwest corner of Section 30, Township 1 South, Range 9 West, W.M.; thence North 06°01'51" East 756.20 feet; thence on a 2,864.79 feet radius curve right (the long chord of which bears North 01°21'50" West 466.15 feet) 466.67 feet; thence North 03°18'09" East 834.52 feet to Engineer's center line Station "L" 420+66.39.

This parcel of land contains 15,641 square feet, more or less and as shown on the attached Exhibit "A".

TO HAVE AND TO HOLD the same unto GRANTEE for perpetuity, subject to the following conditions:

1. GRANTOR has the right to grant additional easements within the area authorized by this easement subject to the provisions of the administrative rules governing the granting of easements.

2. GRANTEE shall obtain prior written approval from GRANTOR prior to:
 - a) Changing the type of use authorized by this easement;
 - b) Expanding the number of authorized developments or uses;
 - c) Changing the authorized area; and/or
 - d) Permitting other persons to utilize the easement for uses and developments requiring separate written authorization by GRANTOR pursuant to the administrative rules governing the granting of easements or other GRANTOR requirements.
3. The easement area shall remain open to the public for recreational and other non-proprietary uses unless restricted or closed to public entry by the State Land Board or GRANTOR.
4. GRANTOR and/or its authorized representative(s) shall have the right to enter into and upon the easement area at any time for the purposes of inspection or management.
5. Except as expressly authorized in writing by the Department, GRANTEE shall not:
 - a) Cut, destroy or remove, or permit to be cut, destroyed or removed any vegetation, or
 - b) Remove any sand and gravel, or other mineral resources for commercial use or sale, that occur in the easement area except as expressly authorized in writing by GRANTOR.

Routine right-of-way maintenance including vegetation trimming shall be allowed.

6. GRANTEE shall compensate GRANTOR for the fair market value of any commercially valuable timber or sand and gravel resources in the easement area that must be removed during or after placement of the authorized use, or which cannot be developed because of the authorized use.
7. GRANTEE shall conduct all operations within the easement area in a manner that conserves fish and wildlife habitat; protects water quality; and does not contribute to soil erosion, or the introduction or spread of noxious weeds or pests. Upon completion of construction, GRANTEE shall reclaim disturbed lands to a condition satisfactory to GRANTOR.
8. GRANTEE shall obtain a surety bond in the amount of N/A to ensure compliance with the terms and conditions of this easement.
9. The right to use this easement shall automatically terminate if it, or the development authorized by GRANTOR, is not used within five (5) consecutive years of the date this easement was granted, pursuant to the provisions of the administrative rules governing the granting of easements.

10. Unless otherwise approved in writing by GRANTOR, GRANTEE shall remove all cables, pipes, conduits, roads, and other developments placed by GRANTEE on the easement, and shall restore the surface of the easement area to a condition satisfactory to GRANTOR within one (1) year following termination of use or expiration of this easement.
11. GRANTEE shall inspect the condition of the area authorized by this easement and the developments authorized by this easement on a frequency annually.
12. GRANTOR shall have the right to stop operation of the use authorized by this easement for noncompliance with the conditions of this easement, the provisions of the administrative rules governing the granting of easements, and/or any lawful requirement by a regulatory agency of this STATE.
13. If this easement authorizes the use of state-owned submerged and/or submersible land:
 - a) Construction in navigable waters shall conform to the standards and specifications set by the U.S. Army Corps of Engineers and the U.S. Coast Guard for the use authorized by this easement.
 - b) Any blasting which may be necessary, or in-water placement, maintenance, or repair of the authorized use shall be performed according to the laws of this STATE, including strict adherence to Oregon Department of Fish & Wildlife in-water work windows.
14. GRANTEE shall pay to GRANTOR the current market value, as determined by GRANTOR, for any unnecessary and non-approved damages to state-owned lands caused by construction or maintenance of the easement.
15. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the easement area or STATE by the assessing agency.
16. GRANTEE shall use the authorized easement area only in a manner or for such purposes that assure fair and non-discriminatory treatment of all persons without respect to race, creed, color, religion, handicap, disability, age, gender or national origin.
17. If a crossing listed in this easement is later found to have a valid easement from the GRANTOR, then the easement with the latest expiration date will be the “prevailing easement.”
18. This easement is freely transferable. However, no transfer may increase the burden on the easement area or detract from the value of the underlying state-owned land.

CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)

State of Oregon, by and through its Department of Transportation, Grantee, hereby approves and accepts, pursuant to ORS 93.808, the grant of an interest in real property from State of Oregon, by and through its Department of State Lands, Grantor, as described in the instrument to which this Certificate is attached.

A copy of this Certificate may be affixed to, and recorded with, the instrument described above.

DATED this ____ day of _____, 20__.

State of Oregon, by and through its
Department of Transportation,
Grantee

By: _____

Name: _____

Title: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 20__, before me personally appeared _____, who being duly sworn stated that he/she is the _____ of Oregon Department of Transportation, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.

NOTARY PUBLIC FOR OREGON
My commission Expires: _____



Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

State Land Board

**Regular Meeting
February 9, 2016
Agenda Item 1c**

Kate Brown
Governor

Jeanne P. Atkins
Secretary of State

Ted Wheeler
State Treasurer

SUBJECT

Request for approval to grant a permanent easement for an existing county maintained road in Wallowa County (Appendix A).

ISSUE

Whether the State Land Board should approve a request from the Wallowa County Road Department for a permanent easement to operate, maintain, repair and replace an existing road across state-owned trust land (Appendix B).

AUTHORITY

Article VIII, Section 5 of the Oregon Constitution; requiring the Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-122-0010 to 141-122-0120; establishing procedures for granting easements and rights-of-way on trust and non-trust lands and requiring Land Board approval of easements granted in perpetuity.

BACKGROUND

The County submitted a complete easement application for the road crossing. The application was circulated to adjoining property owners, various state and federal resource and permitting agencies, and tribal entities. No significant comments were received from the circulation.

The described road has been in place since at least 1955 without prior authorization from the Department of State Lands. This type of use on or over state-owned trust lands requires an easement. To date an easement has not been issued as it is just now being brought to the agencies attention that this is identified as a county maintained road.

Pursuant to OAR 141-122-0060(1), a compensatory payment of \$1,680.00 is required for the easement area; the compensation fee has not yet been received. Prior to final issuance DSL will require payment to be submitted.

RECOMMENDATION

The Department recommends that the State Land Board approve the granting of a permanent easement to Wallowa County to operate, maintain, repair and replace a road on, over, or across Common School Fund Trust Land in Wallowa County.

APPENDICES

- A. Site map
- B. Draft easement (58232-EA)

App#1838

State of Oregon Department of State Lands

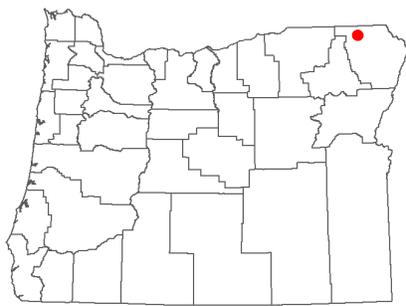


Sources: Esri, DeLorme, USGS, NPS, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



0 180 360
Feet

1 inch = 353 feet
Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet



- DSL Lands
- Easement Area Line

Exhibit A

This map depicts the approximate location and extent of a Department of State Lands, Land Management Division authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

State of Oregon
Department of State Lands
775 Summer St, NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 1/4/2016

DRAFT**DRAFT****DRAFT****STATE OF OREGON
Department of State Lands****EASEMENT NO. 58232-EA
Road Access**

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$1,680.00, hereby grants to GRANTEE,

NAME of GRANTEE:
Wallowa County Public Works

ADDRESS:
619 Marr Pond Lane
Enterprise, OR 97828

an easement and right to construct, maintain, operate and replace a road over, upon, and across the following particularly described property situated in Wallowa County, Oregon, more particularly described as follows:

A portion of Wallupa Road #501 said easement through the Oregon Department of State Lands in tax lot 4800 of section 36 of Township 5 North, Range 42 East, Willamette Meridian, Wallowa County, Oregon, as shown on the annexed map. Said easement being 30.00 feet in width on each side of the existing road centerline and approximately 1400 feet in length, commencing at or near the Southeast boundary of Government Lot 3 (the NE1/4SE1/4) and extending Southwesterly and Southeasterly along the center of the existing road 1400 feet more or less to the Southeast boundary of Government Lot 4, (SE1/4SE1/4).

Containing 1.93 acres or 84,000 square feet, more or less, and as shown on the attached Exhibit "B".

TO HAVE AND TO HOLD the same unto GRANTEE in perpetuity, subject to the following conditions:

1. GRANTOR has the right to grant additional easements within the area authorized by this easement subject to the provisions of the administrative rules governing the granting of easements.
2. GRANTEE shall obtain prior written approval from GRANTOR prior to:
 - a) Changing the type of use authorized by this easement;
 - b) Expanding the number of authorized developments or uses;
 - c) Changing the authorized area; and/or
 - d) Permitting other persons to utilize the easement for uses and developments requiring separate written authorization by GRANTOR pursuant to the administrative rules governing the granting of easements or other GRANTOR requirements.

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3. The easement area shall remain open to the public for recreational and other non-proprietary uses unless restricted or closed to public entry by the State Land Board or GRANTOR.
4. GRANTOR and/or its authorized representative(s) shall have the right to enter into and upon the easement area at any time for the purposes of inspection or management.
5. Except as expressly authorized in writing by the Department, GRANTEE shall not:
 - a) Cut, destroy or remove, or permit to be cut, destroyed or removed any vegetation, or
 - b) Remove any sand and gravel, or other mineral resources for commercial use or sale, that occur in the easement area except as expressly authorized in writing by GRANTOR.

Routine right-of-way maintenance including vegetation trimming shall be allowed.

6. GRANTEE shall compensate GRANTOR for the fair market value of any commercially valuable timber or sand and gravel resources in the easement area that must be removed during or after placement of the authorized use, or which cannot be developed because of the authorized use.
7. GRANTEE shall conduct all operations within the easement area in a manner that conserves fish and wildlife habitat; protects water quality; and does not contribute to soil erosion, or the introduction or spread of noxious weeds or pests. Upon completion of construction, GRANTEE shall reclaim disturbed lands to a condition satisfactory to GRANTOR.
8. GRANTEE shall obtain a surety bond in the amount of \$N/A to ensure compliance with the terms and conditions of this easement.
9. The right to use this easement shall automatically terminate if it, or the development authorized by GRANTOR, is not used within five (5) consecutive years of the date this easement was granted, pursuant to the provisions of the administrative rules governing the granting of easements.
10. Unless otherwise approved in writing by GRANTOR, GRANTEE shall remove all cables, pipes, conduits, roads, and other developments placed by GRANTEE on the easement, and shall restore the surface of the easement area to a condition satisfactory to GRANTOR within one (1) year following termination of use or expiration of this easement.
11. GRANTEE shall inspect the condition of the area authorized by this easement and the developments authorized by this easement on a frequency of: as needed.

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DRAFT

12. GRANTOR shall have the right to stop operation of the use authorized by this easement for noncompliance with the conditions of this easement, the provisions of the administrative rules governing the granting of easements, and/or any lawful requirement by a regulatory agency of this STATE.
13. If this easement authorizes the use of state-owned submerged and/or submersible land:
 - a) Construction in navigable waters shall conform to the standards and specifications set by the U.S. Army Corps of Engineers and the U.S. Coast Guard for the use authorized by this easement.
 - b) Any blasting which may be necessary, or in-water placement, maintenance, or repair of the authorized use shall be performed according to the laws of this STATE, including strict adherence to Oregon Department of Fish & Wildlife in-water work windows.
14. GRANTEE shall pay to GRANTOR the current market value, as determined by GRANTOR, for any unnecessary and non-approved damages to state-owned lands caused by construction or maintenance of the easement.
15. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the easement area or STATE by the assessing agency.
16. GRANTEE shall use the authorized easement area only in a manner or for such purposes that assure fair and non-discriminatory treatment of all persons without respect to race, creed, color, religion, handicap, disability, age, gender or national origin.
17. This easement is freely transferable. However, no transfer may increase the burden on the easement area or detract from the value of the underlying state-owned land.

This easement does not convey an estate in fee simple of the lands used for a right-of-way. This grant is for an easement only, and title remains in the State of Oregon.

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CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)

_____, Grantee, hereby approves and accepts, pursuant to ORS 93.808, the grant of an interest in real property from _____, Grantor, as described in the instrument to which this Certificate is attached.

A copy of this Certificate may be affixed to, and recorded with, the instrument described above.

DATED this ____ day of _____, 2016.

_____,
Grantee

By: _____

Name: _____

Title: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2016, before me personally appeared _____, who being duly sworn stated that he/she is the _____ of _____, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.

NOTARY PUBLIC FOR OREGON
My commission Expires: _____



Oregon

Kate Brown, Governor

Department of State Lands

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Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

State Land Board

**Regular Meeting
February 9, 2016
Agenda Item 1d**

Kate Brown
Governor

Jeanne P. Atkins
Secretary of State

Ted Wheeler
State Treasurer

SUBJECT

Request for approval to grant a permanent easement for an existing Bonneville Power Administration (BPA) maintained road in Klamath County (Appendix A).

ISSUE

Whether the State Land Board should approve a request from the Bonneville Power Administration (BPA) for a permanent easement to operate, maintain, repair and replace an existing road across state-owned trust land (Appendix B).

AUTHORITY

Article VIII, Section 5 of the Oregon Constitution; requiring the Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-122-0010 to 141-122-0120; establishing procedures for granting easements and rights-of-way on trust and non-trust lands and requiring Land Board approval of easements granted in perpetuity.

BACKGROUND

BPA submitted a complete easement application for the road crossing. The application was circulated to adjoining property owners, various state and federal resource and permitting agencies, and tribal entities. No significant comments were received from the circulation.

The described road has been in place since at least 1965 without a written authorization from the Department of State Lands (DSL) to BPA. This road has been used by BPA, the Lorenz Family (who has an easement from DSL in perpetuity for this same road), and the Oregon Department of Forestry in order to manage Yainax Butte on behalf of DSL. This type of use on or over state-owned trust lands requires an easement.

Pursuant to OAR 141-122-0060(1), a compensatory payment of \$33,500.00 is required for the easement area. DSL has yet to receive compensatory payment and will require payment to be made prior to final issuance of the easement.

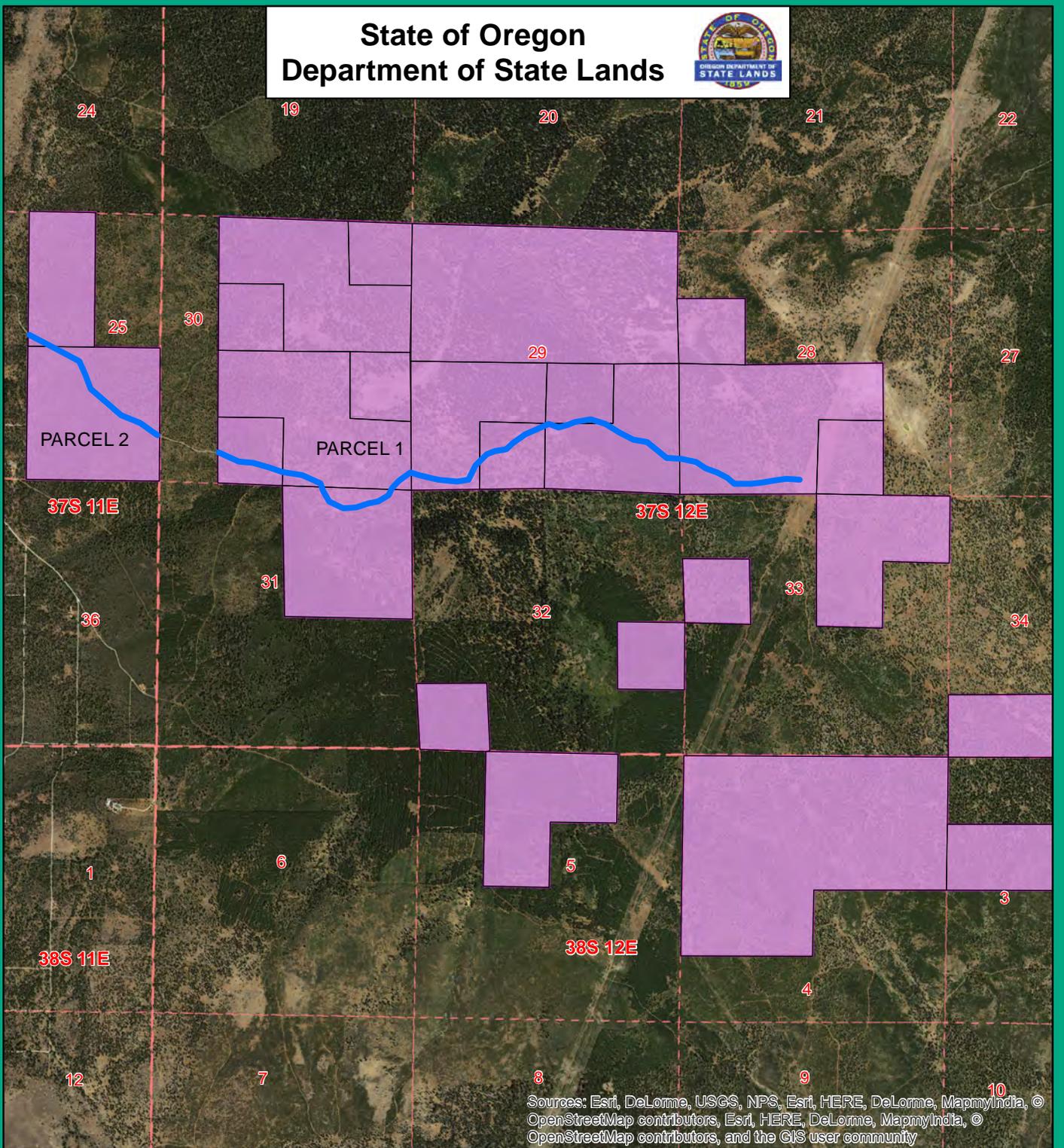
RECOMMENDATION

The Department recommends that the State Land Board approve the granting of a permanent easement to BPA to operate, maintain, repair and replace a road on, over, or across Common School Fund Trust Land in Klamath County.

APPENDICES

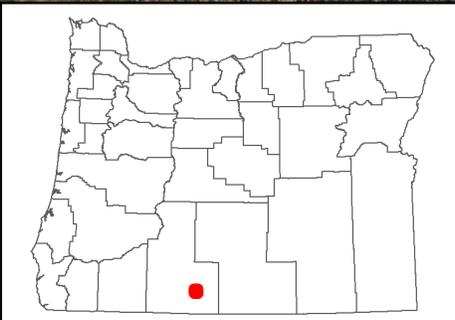
- A. Site map
- B. Draft easement (58345-EA)

State of Oregon Department of State Lands



Sources: Esri, DeLorme, USGS, NPS, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

0 1,300 2,600
Feet
1 inch = 2,715 feet
Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet



DSL Lands
 58345-EA

Exhibit A

This map depicts the approximate location and extent of a Department of State Lands, Land Management Division authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

State of Oregon
Department of State Lands
775 Summer St, NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 1/21/2016

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STATE OF OREGON
Department of State Lands

EASEMENT NO. 58345-EA
 Road Access

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$33,500.00, hereby grants to GRANTEE,

NAME of GRANTEE:	ADDRESS:
United States of America, Dept. of Energy	PO Box 3621, TERP-3
Bonneville Power Administration	Portland, OR 97208

an easement and right to construct, maintain, operate and replace a access road over, upon, and across the following particularly described property situated in Klamath County, Oregon, more particularly described as follows:

G-M-156-AR-1 Parcel 1:

A right-of-way 20 feet wide, over and along an existing road, over and across the SE1/4SW1/4, SW1/4SW1/4 of Section 28, the SE1/4SE1/4, NW1/4SE1/4, SW1/4SE1/4, SE1/4SW1/4, NE1/4SW1/4, SW1/4SW1/4 of Section 29, the SE1/4SE1/4, SW1/4SE1/4, SE1/4SW1/4 of Section 30, and the NE1/4NE1/4, NW1/4NE1/4 of Section 31, Township 37 South, Range 12 East, Willamette Meridian, Klamath County, Oregon, as shown on Bonneville Power Administration (BPA) Access Road Acquisition Exhibit for G-M-156-AR-1 Parcel 1, sheets 1 and 2, dated January 22, 2015, attached hereto and made part hereof.

G-M-156-AR-1 Parcel 3:

A right-of-way 20 feet wide, over and along an existing road, over and across the SE1/4SE1/4, NE1/4SE1/4, NW1/4SE1/4, SW1/4NE1/4 of Section 25, Township 37 South, Range 11 East, Willamette Meridian, Klamath County, Oregon as shown on Bonneville Power Administration (BPA) Access Road Acquisition Exhibit for G-M-156-AR-1 Parcel 3, sheets 1 and 2, dated January 22, 2015, attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto GRANTEE in perpetuity, subject to the following conditions:

1. GRANTOR has the right to grant additional easements within the area authorized by this easement subject to the provisions of the administrative rules governing the granting of easements.
2. GRANTEE shall obtain prior written approval from GRANTOR prior to:

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- a) Changing the type of use authorized by this easement;
 - b) Expanding the number of authorized developments or uses;
 - c) Changing the authorized area; and/or
 - d) Permitting other persons to utilize the easement for uses and developments requiring separate written authorization by GRANTOR pursuant to the administrative rules governing the granting of easements or other GRANTOR requirements.
3. The easement area shall remain open to the public for recreational and other non-proprietary uses unless restricted or closed to public entry by the State Land Board or GRANTOR.
 4. GRANTOR and/or its authorized representative(s) shall have the right to enter into and upon the easement area at any time for the purposes of inspection or management.
 5. Except as expressly authorized in writing by the Department, GRANTEE shall not:
 - a) Cut, destroy or remove, or permit to be cut, destroyed or removed any vegetation, or
 - b) Remove any sand and gravel, or other mineral resources for commercial use or sale, that occur in the easement area except as expressly authorized in writing by GRANTOR.

Routine right-of-way maintenance including vegetation trimming shall be allowed.

6. GRANTEE shall compensate GRANTOR for the fair market value of any commercially valuable timber or sand and gravel resources in the easement area that must be removed during or after placement of the authorized use, or which cannot be developed because of the authorized use.
7. GRANTEE shall conduct all operations within the easement area in a manner that conserves fish and wildlife habitat; protects water quality; and does not contribute to soil erosion, or the introduction or spread of noxious weeds or pests. Upon completion of construction, GRANTEE shall reclaim disturbed lands to a condition satisfactory to GRANTOR.
8. GRANTEE shall obtain a surety bond in the amount of \$N/A to ensure compliance with the terms and conditions of this easement.
9. The right to use this easement shall automatically terminate if it, or the development authorized by GRANTOR, is not used within five (5) consecutive years of the date this easement was granted, pursuant to the provisions of the administrative rules governing the granting of easements.
10. Unless otherwise approved in writing by GRANTOR, GRANTEE shall remove all cables, pipes, conduits, roads, and other developments placed by GRANTEE on the easement, and shall restore the surface of the easement area to a condition satisfactory to

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GRANTOR within one (1) year following termination of use or expiration of this easement.

11. GRANTEE shall inspect the condition of the area authorized by this easement and the developments authorized by this easement on a frequency of: as needed.
12. GRANTOR shall have the right to stop operation of the use authorized by this easement for noncompliance with the conditions of this easement, the provisions of the administrative rules governing the granting of easements, and/or any lawful requirement by a regulatory agency of this STATE.
13. If this easement authorizes the use of state-owned submerged and/or submersible land:
 - a) Construction in navigable waters shall conform to the standards and specifications set by the U.S. Army Corps of Engineers and the U.S. Coast Guard for the use authorized by this easement.
 - b) Any blasting which may be necessary, or in-water placement, maintenance, or repair of the authorized use shall be performed according to the laws of this STATE, including strict adherence to Oregon Department of Fish & Wildlife in-water work windows.
14. GRANTEE shall pay to GRANTOR the current market value, as determined by GRANTOR, for any unnecessary and non-approved damages to state-owned lands caused by construction or maintenance of the easement.
15. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the easement area or STATE by the assessing agency.
16. GRANTEE shall use the authorized easement area only in a manner or for such purposes that assure fair and non-discriminatory treatment of all persons without respect to race, creed, color, religion, handicap, disability, age, gender or national origin.
17. This easement is freely transferable. However, no transfer may increase the burden on the easement area or detract from the value of the underlying state-owned land.

This easement does not convey an estate in fee simple of the lands used for a right-of-way. This grant is for an easement only, and title remains in the State of Oregon.

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CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)

_____, Grantee, hereby approves and accepts, pursuant to ORS 93.808, the grant of an interest in real property from _____, Grantor, as described in the instrument to which this Certificate is attached.

A copy of this Certificate may be affixed to, and recorded with, the instrument described above.

DATED this ____ day of _____, 2016.

_____,
Grantee

By: _____

Name: _____

Title: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2016, before me personally appeared _____, who being duly sworn stated that he/she is the _____ of _____, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.

NOTARY PUBLIC FOR OREGON
My commission Expires: _____



Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

State Land Board

**Regular Meeting
February 9, 2016
Agenda Item 1e**

Kate Brown
Governor

Jeanne P. Atkins
Secretary of State

Ted Wheeler
State Treasurer

SUBJECT

Request for approval to grant a permanent easement for a sewer line attached to an existing bridge in the City of Nyssa in Malheur County (Appendix A).

ISSUE

Whether the State Land Board should approve a request from the City of Nyssa for a permanent easement to operate, maintain, repair and replace a sewer line over, across and upon DSL submerged and submersible land of the Snake River in Nyssa, Oregon (Appendix B).

AUTHORITY

Article VIII, Section 5 of the Oregon Constitution; requiring the Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-122-0010 to 141-122-0120; establishing procedures for granting easements and rights-of-way on trust and non-trust lands and requiring Land Board approval of easements granted in perpetuity.

BACKGROUND

The City of Nyssa submitted a complete easement application for a sewer line attached to a bridge over the Snake River. The application was circulated to adjoining property owners, various state and federal resource and permitting agencies, and tribal entities. No significant comments were received from the circulation.

The sewer line is a 4-inch pipe attached to an existing bridge within the city limits of Nyssa, Oregon. This type of use on or over state-owned submerged and submersible lands requires an easement.

Pursuant to OAR 141-122-0060(1(b)), a compensatory payment of \$1,217.46 is required for the easement area and has been received by DSL.

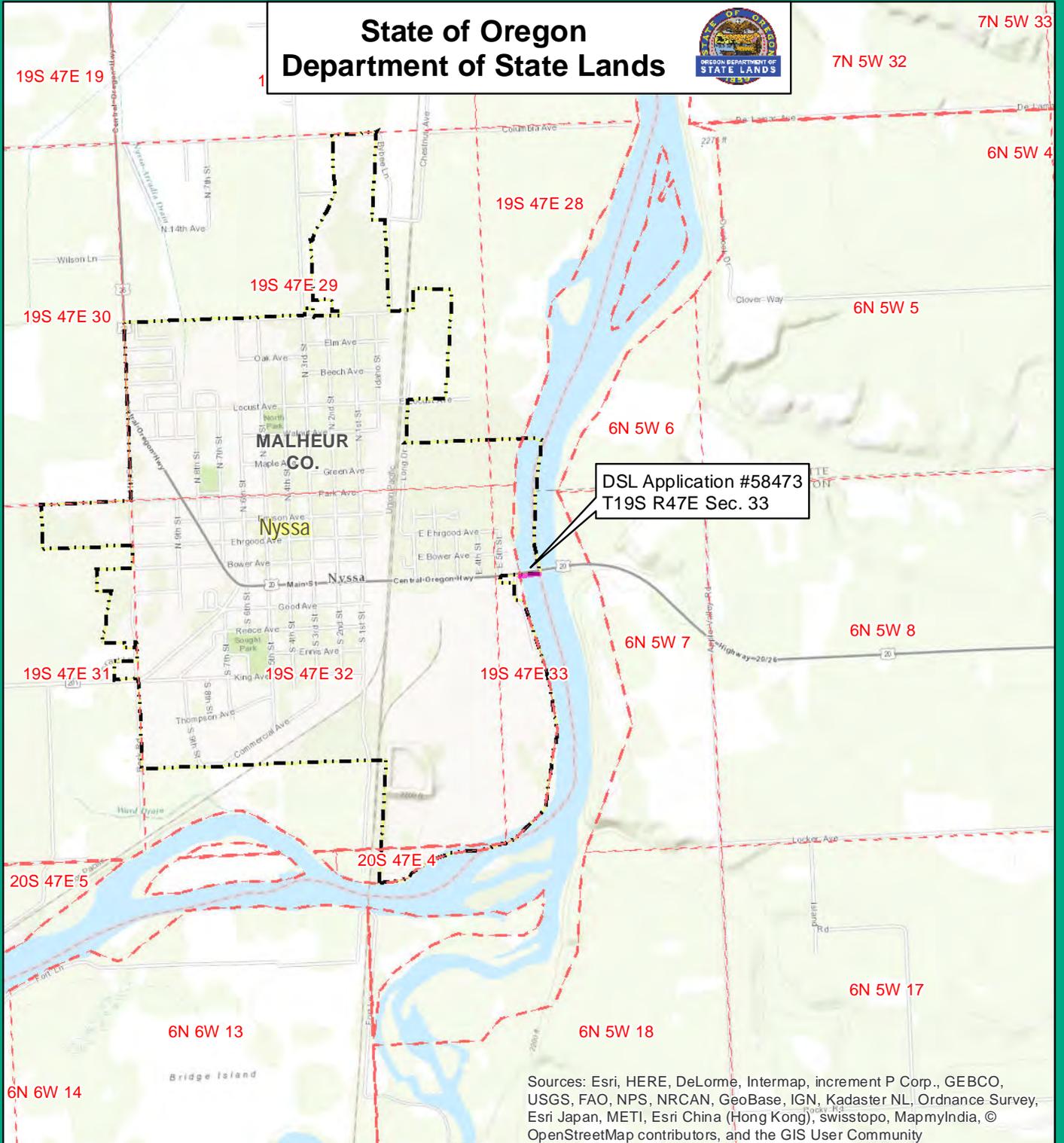
RECOMMENDATION

The Department recommends the State Land Board approve the granting of a permanent easement to the City of Nyssa to operate, maintain, repair and replace the sewer line pipe on, over, or across the submerged and submersible lands of the Snake River in Malheur County, Oregon.

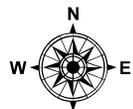
APPENDICES

- A. Site map
- B. Draft easement (58473-EA)

State of Oregon Department of State Lands



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



0 1,000 2,000
Feet

1 inch equals 2,000 feet
Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet



 Authorization Area

Appendix A

State of Oregon
Department of State Lands
1645 NE Forbes Road Suite 112
Bend, OR 97701
www.oregon.gov/DSL

Date: 1/25/2016

This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

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STATE OF OREGON
Department of State Lands

EASEMENT NO. 58473-EA
 Sewer Line Utility Crossing

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$1,217.46, hereby grants to GRANTEE,

NAME of GRANTEE:
 City of Nyssa

ADDRESS:
 301 Main St.
 Nyssa, OR 97913

an easement and right to construct, maintain, operate and replace a sewer line over, upon, and across the following particularly described property situated in Malheur County, Oregon, more particularly described as follows:

The following describes a 15.00 foot wide strip of land for the purpose of a sanitary sewer easement being along US Highway 20-26 crossing the Snake River along the Oregon-Idaho State Line lying in a portion of Section 32, Township 19 South, Range 47 East, Willamette Meridian, Malheur County, Oregon being 7.50 feet left and right of the following described centerline:

Commencing in Idaho at the Northeast Corner of Section 7 marked by a Brass Cap CP&F #9928301;

Thence along Tie Line South $61^{\circ}41'38''$ West 2,716.35' to a point on U.S. Highway 20-26 bridge marked POINT of BEGINNING; and further marking a point along the Oregon-Idaho State line;

Thence leaving said POINT of BEGINNING, South $82^{\circ}20'12''$ West, 317.63 feet to the POINT OF TERMINUS of this description along the Mean High Water line and within U.S. Highway 20-26 bridge in the State of Oregon.

Containing .09 acres or 4,0745.00 square feet, more or less, and as shown on the attached Exhibit "A".

TO HAVE AND TO HOLD the same unto GRANTEE in perpetuity, subject to the following conditions:

1. GRANTOR has the right to grant additional easements within the area authorized by this easement subject to the provisions of the administrative rules governing the granting of easements.

2. GRANTEE shall obtain prior written approval from GRANTOR prior to:
 - a) Changing the type of use authorized by this easement;
 - b) Expanding the number of authorized developments or uses;
 - c) Changing the authorized area; and/or
 - d) Permitting other persons to utilize the easement for uses and developments requiring separate written authorization by GRANTOR pursuant to the administrative rules governing the granting of easements or other GRANTOR requirements.
3. The easement area shall remain open to the public for recreational and other non-proprietary uses unless restricted or closed to public entry by the State Land Board or GRANTOR.
4. GRANTOR and/or its authorized representative(s) shall have the right to enter into and upon the easement area at any time for the purposes of inspection or management.
5. Except as expressly authorized in writing by the Department, GRANTEE shall not:
 - a) Cut, destroy or remove, or permit to be cut, destroyed or removed any vegetation, or
 - b) Remove any sand and gravel, or other mineral resources for commercial use or sale, that occur in the easement area except as expressly authorized in writing by GRANTOR.

Routine right-of-way maintenance including vegetation trimming shall be allowed.

6. GRANTEE shall compensate GRANTOR for the fair market value of any commercially valuable timber or sand and gravel resources in the easement area that must be removed during or after placement of the authorized use, or which cannot be developed because of the authorized use.
7. GRANTEE shall conduct all operations within the easement area in a manner that conserves fish and wildlife habitat; protects water quality; and does not contribute to soil erosion, or the introduction or spread of noxious weeds or pests. Upon completion of construction, GRANTEE shall reclaim disturbed lands to a condition satisfactory to GRANTOR.
8. GRANTEE shall obtain a surety bond in the amount of \$ N/A to ensure compliance with the terms and conditions of this easement.
9. The right to use this easement shall automatically terminate if it, or the development authorized by GRANTOR, is not used within five (5) consecutive years of the date this easement was granted, pursuant to the provisions of the administrative rules governing the granting of easements.

10. Unless otherwise approved in writing by GRANTOR, GRANTEE shall remove all cables, pipes, conduits, roads, and other developments placed by GRANTEE on the easement, and shall restore the surface of the easement area to a condition satisfactory to GRANTOR within one (1) year following termination of use or expiration of this easement.
11. GRANTEE shall inspect the condition of the area authorized by this easement and the developments authorized by this easement on a frequency of: as needed.
12. GRANTOR shall have the right to stop operation of the use authorized by this easement for noncompliance with the conditions of this easement, the provisions of the administrative rules governing the granting of easements, and/or any lawful requirement by a regulatory agency of this STATE.
13. If this easement authorizes the use of state-owned submerged and/or submersible land:
 - a) Construction in navigable waters shall conform to the standards and specifications set by the U.S. Army Corps of Engineers and the U.S. Coast Guard for the use authorized by this easement.
 - b) Any blasting which may be necessary, or in-water placement, maintenance, or repair of the authorized use shall be performed according to the laws of this STATE, including strict adherence to Oregon Department of Fish & Wildlife in-water work windows.
14. GRANTEE shall pay to GRANTOR the current market value, as determined by GRANTOR, for any unnecessary and non-approved damages to state-owned lands caused by construction or maintenance of the easement.
15. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the easement area or STATE by the assessing agency.
16. GRANTEE shall use the authorized easement area only in a manner or for such purposes that assure fair and non-discriminatory treatment of all persons without respect to race, creed, color, religion, handicap, disability, age, gender or national origin.
17. This easement is freely transferable. However, no transfer may increase the burden on the easement area or detract from the value of the underlying state-owned land.

This easement does not convey an estate in fee simple of the lands used for a right-of-way. This grant is for an easement only, and title remains in the State of Oregon.

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**CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)**

_____, Grantee, hereby approves and accepts, pursuant to ORS 93.808, the grant of an interest in real property from _____, Grantor, as described in the instrument to which this Certificate is attached.

A copy of this Certificate may be affixed to, and recorded with, the instrument described above.

DATED this ____ day of _____, 2016.

_____,
Grantee

By: _____

Name: _____

Title: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2016, before me personally appeared _____, who being duly sworn stated that he/she is the _____ of _____, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.

NOTARY PUBLIC FOR OREGON
My commission Expires: _____

Other Management Highlights

Elliott State Forest Road Improvement Project: Crib Wall Construction on 4000 Road

This project replaced two failing log crib walls in ridge top saddles on the 4000 Road. The 4000 Road is a main ridge top road into the west side of the Elliott State Forest and is a key route for all weather access. Log cribbing is a legacy construction practice that has a limited life span. Log cribbing is no longer considered an acceptable best management practice. The crib walls were replaced with engineered welded wire walls with a life expectancy of 75+ years. The finished road provides adequate widths for safe equipment and log transportation.



CSFL Status

Swiss Needle Cast Trends: The trend on CSF land based on 5 year averages suggests a very gradual increase in SNC symptoms. Long term data from permanent plots (OSU SNC Cooperative) show that the growth impact of SNC in northwest Oregon has not changed much over the past 15 years.

Instream Wood Placement Projects:

FY13: 0 FY14: 2

Resident Spotted Owl Sites:

FY13: 26 FY14: 26

Acres Planted:

FY14: 211 acres FY15: 321 acres

Aquatic Habitat Restoration:

FY13: .7 miles FY14: 5.8 miles

Marbled Murrelet Management Areas:

FY13: 71 FY14: 67

Marbled Murrelet Management Acres:

FY13: 16,784 ac. FY14: 21,938 ac.

State
Forests
Division



The Oregon Department of Forestry manages 117,238 acres of Common School Forest Land under the agreement with the State Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.” This report contains business and management highlights that took place in Fiscal Year 2015.

Full Report at www.oregon.gov/ODF/Pages/Reports.aspx



Common School Forest Land Annual Report

Fiscal Year 2015

Prepared for the Department of State Lands

Fiscal Year 2015 — By The Numbers

FOREST MANAGEMENT: ODF continues stewardship of Common School Fund forestlands through active management while DSL examines alternatives and changes for the future of the Elliott State Forest. As this process ensues with a range of partners participating, ODF foresters continue to supervise and administer timber operations, monitor environmental successes and sustain critical habitat areas. In 2015, timber harvest levels increased from the previous year, providing slightly improved economic returns for the Common School Fund. A number of reforestation and replanting projects were completed successfully, and young stand management activities continue to actively grow healthy, sustainable forests for future generations – providing a package of longer-term benefits such as wood products, diverse ecosystems and habitat, and clean air and water.

VOLUME HARVESTED

15.2 MMBF of timber volume was removed from CSFL, of which 8.2 MMBF came from the Elliott State Forest.

REVENUE TRANSFERRED

\$4,246,450 were transferred to the Common School Fund through DSL.

Performance Measure: NET OPERATING INCOME (Revenue - Costs)

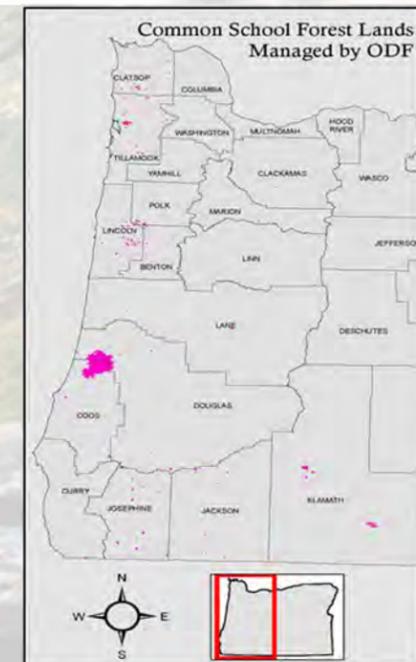
Fiscal Year	Net Operating Income
2015	\$909,258
2014	-\$174,410
2013	-\$2,353,775
2012	\$6,299,086
2011	\$4,542,687
5 Yr Avg	\$1,844,569

SOLD SALES

- 13 timber sales were sold that included CSFL and five were from the Elliott.
- Estimated to produce a volume of 15.1 MMBF with a net value of \$6 million.
- Total project costs from sales sold in FY 2015 will be about \$450,508.
- During FY 2015, approximately 48 percent of the statewide CSFL volume and 51 percent of the value sold was generated on the Elliott State Forest.

Fire Protection Assessment

\$324,109



REVENUE FROM CSFL BY DISTRICT

District	CSFL Acres	FY13	FY14	FY15
Tillamook District	5,384	\$4,663	\$3,964	\$44,188
Astoria District	2,060	\$2,701	\$134	\$62,831
Forest Grove District	610	\$19	\$171	\$1,399
West Oregon District	6,800	\$473,367	\$206,154	\$215,388
North Cascade District	923	\$532,833	-\$43,786	\$121,270
SW Oregon District	7,457	\$669,026	\$96,485	\$33,821
Coos District / Elliott	86,270	\$409,509	\$2,357,623	\$2,128,342
Western Lane District	907	\$87,260	\$958,821	\$1,372,255
Klamath-Lake District	6,827	\$150,653	\$310	\$250,525
TOTAL REVENUE	117,238	\$2,330,031	\$3,579,875	\$4,229,969

EXPENDITURES AND COSTS FROM CSFL BY DISTRICT

District	CSFL Acres	FY13	FY14	FY15
Tillamook District	5,384	\$123,478	\$138,111	\$132,897
Astoria District	2,060	\$54,796	\$60,268	\$68,236
Forest Grove District	610	\$17,717	\$18,183	\$19,133
West Oregon District	6,800	\$284,525	\$286,840	\$292,381
North Cascade District	923	\$36,424	\$36,034	\$37,533
SW Oregon District	7,457	\$253,857	\$247,892	\$216,723
Coos District / Elliott	86,270	\$3,441,723	\$2,749,339	\$2,313,784
Western Lane District	907	\$37,560	\$37,541	\$57,258
Klamath-Lake District	6,827	\$200,532	\$156,587	182,766
TOTAL (EXP + TRNS)	117,238	\$4,450,613	\$3,730,795	\$3,320,711



Common School Forest Land Annual Report

FISCAL YEAR 2015



**Prepared by the Oregon
Department of Forestry**

December 2015

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Annual Report Located at:

<http://www.oregon.gov/ODF/Pages/Reports.aspx>

Executive Summary

DATE: December 2015

TO: Governor Kate Brown
Secretary of Jeanne Atkins
State Treasurer Ted Wheeler

FROM: Doug Decker, Oregon State Forester

SUBJECT: Fiscal Year 2015 Report on the Status of Common School Forest Land Management
The Oregon Department of Forestry (ODF) manages 117,238 acres of Common School Forest Land (CSFL), most of which (86,270 acres) is within the ODF Coos District, which includes the Elliott State Forest. These lands are managed through elements of an agreement among ODF, the State Land Board (Land Board) and the Department of State Lands (DSL), finalized in 2005. As trustee of this Common School Forest Land, the Land Board oversees management to provide Oregonians the greatest benefit, including conservation values and sound forestland management strategies. The DSL 2012 Real Estate Asset Management Plan directs that these lands provide a sustained, even flow of timber harvest. ODF achieves this mandate through goal-driven forest management plans approved by the Oregon Board of Forestry and the Land Board. Net revenues generated from Common School Forest Land are dedicated to the state's Common School Fund (CSF).

This agreement and partnership among ODF, DSL and the Land Board requires ODF to present an annual report regarding the status of management of Common School Forest Land. This status report includes information related to timber management (volume and value of harvested, sold and planned timber sales), fiscal year operating costs, revenue transferred to the Common School Fund, reforestation, intensive management accomplishments and costs, and other information affecting Common School Forest Land management and operations.

Fiscal Year 2015 Harvest and Revenue

ODF continues stewardship of Common School Fund forestlands through active management while DSL examines alternatives and changes for the future of the Elliott State Forest. As this process ensues with a range of partners participating, ODF foresters continue to supervise and administer timber operations, monitor environmental successes and sustain critical habitat areas. In 2015, timber harvest levels increased from the previous year, providing slightly improved economic returns for the Common School Fund. A number of reforestation and replanting projects were completed successfully, and young stand management activities continue to actively grow healthy, sustainable forests for future generations – providing a package of longer-term benefits such as wood products, diverse ecosystems and habitat, and clean air and water.

1. CSFL Harvest Volume:
 - a. 15 MMBF (8 MMBF from the Elliott State Forest)
 - b. 39 percent increase from FY 2014

2. Revenue Transfers to CSF:
 - a. \$4.2 million
 - b. 19 percent increase from FY 2014

3. Net Operating Income (NOI): NOI is the total revenue transfers to the CSF minus ODF management costs. It is influenced by the same factors that affect volume and value, as well as management expenses.
 - a. \$909,258
 - b. 621 percent increase from FY 2014

4. CSFL Management costs:
 - a. \$3.3 million
 - b. 11 percent decrease from FY 2014

5. CSFL sales sold in FY 2015
 - a. 15.1 MMBF
 - b. Approximately \$6 million

Other Forest Management Activities

Reforestation and young stand management are integral to ensuring a sustainable flow of wood and future habitat development. On CSFL in FY 2015, 321 acres were reforested and 1,923 acres received young-stand management treatment, improving overall forest health and future growth.

Forest management operations on CSFL also supported investments in stream restoration. Elliott State Forest foresters and community partners continue to collaborate with local watershed associations and the Oregon Department of Fish and Wildlife to design and implement wood placement projects to improve fish habitat.

This annual report summarizes CSFL management activities from July 1, 2014 through June 30, 2015. To note, less-than-optimal performance related to two State Land Board performance measures (Net Operating Income and Revenue) continues for this report. This trend is connected to the significant policy changes necessary to ensure forest management activities comply with ESA standards for marbled murrelets. This policy is implemented on all CSFL, and has the most operational impact in the Elliott State Forest.

Looking forward, ODF anticipates significant challenges related to producing adequate revenue from Elliott State Forest lands given the current influencers directly affecting timber harvest. ODF continues to develop and plan near-term timber sales to generate revenue for the CSF. ODF will also continue to work closely with DSL to implement management strategies to minimize risk, improve revenue generation and provide other forest benefits for Oregonians.

Financial and Asset Management

Overview

This report primarily focuses on FY 2015 (July 1, 2014 through June 30, 2015). However forest management often requires evaluating trends in revenue and costs for previous biennia (i.e., sales approved in one year's operating plan may be harvested over one to three subsequent years). Revenue transferred to the CSF from management of CSFL has varied over the past 10 years from \$2.1 million to \$13.6 million on an annual basis.

The primary factors influencing revenue and fluctuations include: housing starts, lumber prices, harvest timing, individual sale volumes and value, changing ratios between harvests on CSFL and Board of Forestry lands (BOFL), and uncertainty and constraints associated with litigation.

State Land Board Performance Measures

Performance measures and targets provide a tool for measuring progress in meeting established goals. Department of State Lands (DSL) established performance measures in the Real Estate Asset Management Plan (REAMP) approved by the State Land Board (SLB) in 2012. These REAMP measures are used to evaluate management actions, inform decision-making on land reclassifications, and guide decisions on investment, retention and divestment of lands. The SLB has established four separate measures for assessing performance of CSFL.

Net Operating Income (NOI)

NOI for CSFL for FY 2015 was \$909,258. Net Operating Income is calculated by subtracting all costs from revenue. Since 2011, NOI ranged from negative \$2.3 to \$6.3 million for CSFL.

Table 1: Net Operating Income	
FY2015	\$909,258
FY2014	-\$174,410
FY2013	-\$2,353,775
FY2012	\$6,299,086
FY2011	\$4,542,687

Annual Revenue

Annual revenue is reported throughout this report, with influencing factors included for context.

Land Value Appreciation (LVA) and Return on Asset Value (ROAV)

ODF does not calculate LVA or ROAV for CSFL.

Fiscal Year 2015 Revenue and Investment Costs

During FY 2015, \$4.2 million in revenue was transferred to DSL (Table 2). Total charges for managing the CSFL totaled \$3.3 million during FY 2015 (Table 2). During FY 2015, \$2.3 million of the \$3.3 million in costs were related directly to operational expenditures for managing the Elliott State Forest. These expenditures include State Forests Division personnel in Salem, three regional areas, and nine districts. The units are responsible for timber sale contract development and compliance, reforestation and intensive management activities, Endangered Species Act compliance, research and monitoring, forest planning, and overall program administration.

Other charges to the CSF, referred to as “Net Revenue Transfers,” were \$651,927 in FY 2015 (Table 3). This is approximately 20 percent of total overall costs. Revenue transfers include a portion of capital improvement projects, debt service on capital investments through the use of certificate of participation (COPs), and seed orchard management for reforestation. Debt repayment recorded as COPs are used to fund capital construction for facility development, and agency business initiative activities to develop and modernize agency information technology.

J.E. Schroeder Seed Orchard costs for FY 2015 were \$14,450. These funds were used to produce genetically improved seed (superior growth, wood quality, and disease tolerant characteristics as identified through traditional breeding and selection methods) appropriate for reforesting state forestlands. The ODF Fire Protection Division assessed DSL \$324,109 for CSFL wildfire protection.

Revenue transfers also include a portion of overall agency administration prorate which totaled \$570,713. It is ODF’s goal to ensure that allocation of agency administrative costs accurately reflects work performed by administrative and managerial staff, and that each program pays their appropriate share of administrative costs. The appropriate administrative cost distribution is calculated from work studies performed each biennium. The work studies represent the percent of time a specific service performs for the benefit of an operating program (e.g., management of CSFL). Administrative funds support the following services:

- Human Resources (personnel, labor relations, safety, and training)
- Financial Services (accounting and reporting services)
- Internal Auditing, Quality Control, and Risk Management
- Information Technology support and infrastructure to ODF staff and field offices
- Oversight and management of Facilities, Property Control, and Procurement activities (contracting and physical assets)
- Payroll administration
- Biennial budget development and implementation
- Agency Affairs (public information, education, and legislative coordination)
- Resource analysis and technical studies
- Executive-level policy and administrative oversight (State Land Board, Board of Forestry (BOF), Executive Team and Administrative Services Program Directors)

Table 2: Expenditures, Transfers, and Revenue

BREAKDOWN OF COSTS					
COSTS	FY11	FY12	FY13	FY14	FY15
All District Expenditures	\$2,828,108	\$3,146,191	\$2,758,290	\$1,061,418	\$299,192
T & E Surveys	\$418,090	\$498,013	\$441,933	\$347,898	\$693,229
Salem Expenditures	\$865,528	\$922,108	\$1,016,343	\$1,182,116	\$992,421
Revenue Transfers Out Including Admin Prorate	\$467,796	\$680,947	\$675,980	\$669,377	\$651,927

ALL EXPENDITURES AND TRANSFERS PRORATED BY DISTRICT ACRES					
DISTRICT	FY11	FY12	FY13	FY14	FY15
51 - Tillamook District	\$112,180	\$117,014	\$123,478	\$138,111	\$132,897
52 - Astoria District	\$59,421	\$53,852	\$54,796	\$60,268	\$68,236
53 - Forest Grove District	\$14,221	\$15,782	\$17,717	\$18,183	\$19,133
55 - West Oregon District	\$266,225	\$287,446	\$284,525	\$286,840	\$292,381
58N - North Cascade District	\$27,898	\$34,015	\$36,424	\$36,034	\$37,533
71 - SW Oregon District	\$245,931	\$286,613	\$253,857	\$247,892	\$216,723
74 - Coos District / Elliott	\$3,246,162	\$3,792,574	\$3,441,723	\$2,749,339	\$2,313,784
78 - West Lane District	\$21,380	\$20,758	\$37,560	\$37,541	\$57,258
98 - Klamath-Lake District	\$168,015	\$141,193	\$200,532	\$156,587	\$182,766
TOTAL (EXP + TRNS)	\$4,161,432	\$4,749,246	\$4,450,613	\$3,730,795	\$3,320,711

REVENUE					
DISTRICT	FY11	FY12	FY13	FY14	FY15
51 - Tillamook District	\$258,491	\$0	\$4,663	\$3,964	\$44,188
52 - Astoria District	\$25,300	\$60,830	\$2,701	\$134	\$62,831
53 - Forest Grove District	\$17,707	\$448	\$19	\$171	\$1,399
55 - West Oregon District	\$169,155	\$564,292	\$473,367	\$206,154	\$215,338
58 - North Cascade District	\$0	\$0	\$532,833	-\$43,786 ²	\$121,270
71 - SW Oregon District	\$71,840	\$491,402	\$669,026	\$96,485	\$33,821
74 - Coos District / Elliott	\$8,094,846	\$9,598,688	\$409,509	\$2,357,623	\$2,128,342
78 - West Lane District	\$78,260	\$0	\$87,260	\$958,821	\$1,372,255
98 - Klamath / Lake District	\$50,645	\$52,999	\$150,653	\$310	\$250,525
¹TOTAL CSL REVENUE RECEIVED	\$8,766,244	\$10,768,659	\$2,330,031	\$3,579,875	\$4,229,969
¹REVENUE TRANSFER TO DSL	\$8,704,304	\$11,048,329	\$2,096,838	\$3,556,385	\$4,246,450

¹ The difference in revenue received and transfers is a timing issue. Revenue received is posted by ODF and dollars transferred to DSL within a week.

²A refund in the amount of \$43,810.85 was processed in FY14 for an overpayment on timber sale 341-13-15 named Air Abiqua in the North Cascade district.

Table 3: Details of FY 2015 Revenue Transfers Out	
Administrative Revenue Transfers	Amount
Administrative Prorate Charge	\$570,713
J.E. Schroeder Seed Orchard	\$14,450
Residual Equity	\$956
Certificate Of Participation Principle	\$10,429
Certificate Of Participation Interest	\$55,379
ADMINISTRATIVE REVENUE TRANSFER TOTAL	\$651,927

Financial Administration and Reporting

The 2005 CSFL Management Agreement, and 2010 sub-agreement, between ODF and DSL provide operational and administrative guidance for the management of CSFL to ensure fiscal accountability and appropriate exchange of information between agencies. ODF and DSL continue to enhance business practices to ensure understanding of operations, fiscal reporting and budgeting.

Future Market Trends

Nearly 70 percent of lumber produced from Oregon logs stays in the western United States, Oregon lumber has little access to markets in the southern United States, which is still the primary location of the current housing recovery. Domestic demand for housing starts never reached anticipated numbers. With downgrades in housing starts as shown in IHS Global forecasts coupled with decreased exports to Asia, overall demand could result in future decreased log prices.

Our forecast is relatively conservative and this is due to a decline in the export market for logs and factoring in expectations on housing starts and expected log prices. The Oregon harvest forecast calls for stability and an annual harvest around four billion board feet for the next biennium. However, these forecasts may need adjustment in the near future with new information from the Federal Reserve regarding interest rates and China's slipping GDP numbers this year. Another factor is the expiration of the Canadian Softwood Lumber Agreement. This will enforce an approximate five percent tax on lumber exported from Canada to the U.S. This may put more pressure on harvests in the PNW to pick up slack on lumber lost from Canada as they exploit other potential markets at a lower tax rate (e.g. China).

In Oregon, log prices on average have risen; however, this weighted heavily toward the west side. In eastern Oregon, log prices have remained relatively low. This is due to market access and the nature of the timber supply. Theoretically, any potential alternative markets, dependent on a steady supply of fiber, would help stabilize and boost prices in the region while helping landowners with non-timber revenue streams as well.

**Table 4: Common School Forest Land Historical Timber Harvest Value,
Volume and Average Stumpage Price
Fiscal Years 2006 through 2015**

Fiscal Year	¹ Timber Sales Value of Timber Removed	Timber Harvest Volume (MMBF) Removed	Average Sold Sale Stumpage Price/MBF
2015 Elliott State Forest (Coos District)	\$3,592,162	8.26	\$436
2015 Other CSFL	\$2,367,124	6.99	\$356
Total 2015	\$5,959,286	15.25	\$375
2014 Elliott State Forest	\$2,524,725	6.96	\$434
2014 Other CSFL	\$1,503,429	4.00	\$205
Total 2014	\$4,028,154	10.96	\$411
2013 Elliott State Forest	\$1,606,932	4.51	\$288
2013 Other CSFL	\$1,992,098	6.56	\$328
Total 2013	\$3,599,030	11.08	\$308
2012 Elliott State Forest	\$10,939,550	28.54	\$313
2012 Other CSFL	\$1,064,931	3.71	\$314
Total 2012	\$12,004,481	32.25	\$313
2011 Elliott State Forest	\$10,650,015	27.87	\$339
2011 Other CSFL	\$919,890	4.24	\$296
Total 2011	\$11,569,905	32.12	\$317
2010	\$8,221,998	24.81	\$263
2009	\$12,419,783	29.29	\$232
2008	\$11,988,895	22.97	\$421
2007	\$12,760,992	27.08	\$485
2006	\$7,609,658	17.83	\$492
Last 5-Year Average	\$6,240,317	20.33	\$345
10-Year Average	\$9,016,218	22.36	\$362

¹ Timber Sale Value is gross timber sale's value before project work revenue has been subtracted

Forest Land Management

ODF manages a total of 823,586 acres, of which 117,238 acres are CSFL (Table 5). The majority of CSFL are located in the ODF Coos District (86,270 acres). Activities conducted on CSFL managed by ODF include: timber harvest, reforestation and intensive management, and road construction and maintenance. These lands are composed of four DSL Asset Management Plan forestland classifications: General Stewardship, Focused Stewardship, Special Use and High Value Conservation Areas.

Timber Management Activities

A total of 15 active sales were harvested in FY 2015, producing 15.25 mmbf with a value of \$5.9 million (Table 7). This equates to a 48 percent increase in overall value from the FY 2014 harvest. Of these, eight mmbf were harvested in The Elliott State Forest. In addition, there were 13 sales sold in FY 2015, producing approximately 15 mmbf (Table 6).

There are no sales planned for FY 2016 on the Elliott State Forest. All planned sales on CSFL in FY 2016 are estimated to produce 4.7 mmbf with a net value of \$1.3 million (Table 8).

Reforestation and intensive management activities such as site preparation, planting and thinning are used to promote healthy and productive forest land. Table 9 summarizes planned and completed acres and costs for these activities on CSFL.

Table 10 provides information about the road system management on CSFL by District and County.

COUNTY	CSL ACRES
BENTON	563
CLACKAMAS	113
CLATSOP	2,060
COLUMBIA	80
COOS	53,077
CURRY	1,352
DOUGLAS	33,715
JACKSON	1,622
JOSEPHINE	3,961
KLAMATH	6,827
LANE	907
LINCOLN	4,546
LINN	90
MARION	720
POLK	1,690
TILLAMOOK	5,584
WASHINGTON	250
YAMHILL	80
GRAND TOTAL:	117,238

Timber Sales Sold During FY 2015

Table 6. Common School Forest Lands Timber Sales Sold in Fiscal Year 2015										
Sale Name	ODF District	CSFL % of Sale	Total Sale Volume (mbf)	CSFL Volume (mbf)	CSFL Acres Partial Cut	CSFL Acres Regen.	Total Project Costs	CSFL Project Costs	Net Sale Value (BOF + CSL)	Net CSFL Value
Millicoma Overlook	Coos	100%	330	330	0	28	\$11,769	\$11,769	\$79,941	\$79,941
Harry Otter	Coos	100%	794	794	0	37	\$4,639	\$4,639	\$257,724	\$257,724
Glenn Again	Coos	99%	3,604	3,568	0	173	\$45,049	\$44,599	\$1,582,835	\$1,567,007
Eleven Creek No. 3	Coos	100%	733	733	0	41	\$17,360	\$17,360	\$225,642	\$225,642
Dean Scholfield	Coos	61%	3,014	1,839	0	31	\$58,975	\$35,975	\$1,546,987	\$943,662
SS Johnson Combo	West Oregon	15%	3,062	459	4	6	\$98,154	\$14,723	\$1,150,971	\$172,646
Mill Cat	West Oregon	28%	4,170	1,168	0	22	\$182,732	\$51,165	\$1,815,968	\$508,471
Tower of Power	West Oregon	56%	1,689	946	0	27	\$38,680	\$21,661	\$655,460	\$367,058
Bergsvik 13	Astoria	4%	5,023	201	21	2	\$331,452	\$13,258	\$1,050,788	\$42,032
Knob Point Combination	Astoria	22%	4,043	890	8	22	\$37,826	\$8,322	\$1,413,391	\$310,946
Around Gates Hill	North Cascade	70%	3,693	2,585	0	74	\$288,600	\$202,020	\$1,728,546	\$1,209,982
Three Way	Klamath-Lake	100%	1,546	1,546	304	0	\$15,051	\$15,051	\$351,949	\$351,949
Top Step	Forest Grove	2%	3,988	80	2	1	\$498,290	\$9,966	\$1,483,064	\$29,661
TOTALS:			35,689	15,139	339	464	\$1,628,577	\$450,508	\$13,343,266	\$6,066,721

This data is produced from an ODF sale plan database. All dollar amounts were rounded to the nearest whole dollar.

Activity Summary for FY 2015

Table 7. Active Timber Sales on Common School Forest Lands Volume and Value, Fiscal Year 2015						
Sale Name	District	Sale No.	%CSL	MMBF Harvested	Value	CSL
Glenn Again	Coos	341-15-41	99%	3.21	\$1,391,651	
Harry Otter	Coos	341-15-43	100%	0.52	\$171,655	
Purdy Slim	Coos	341-13-96	100%	0.21	\$40,743	
Dean's Deerstand	Coos	341-14-29	100%	0.70	\$257,380	
Ash Valley Overlook	Coos	341-14-52	100%	3.62	\$1,730,733	
Green Spill	West Oregon	341-13-59	38%	0.64	\$74,220	
SS Johnson Combo	West Oregon	341-15-49	15%	0.32	\$113,677	
Around Gates Hill	North Cascade	341-15-48	70%	0.45	\$246,196	
Millicoma Lookout Mod	Western Lane	341-11-99	100%	3.42	\$1,448,868	
Cole Turkey	Astoria	341-13-51	3%	0.16	\$73,421	
Bergsvik 13	Astoria	341-15-30	4%	0.01	\$2,919	
Cougar Camp	Tillamook	341-13-67	2%	0.18	\$32,799	
Outback Flat	Tillamook	341-14-26	12%	0.14	\$32,973	
Double C	Klamath-Lake	341-13-95	100%	1.39	\$260,639	
Quines Run No. 2	Southwest Or.	341-12-73	100%	0.29	\$81,412	
				15.25	\$5,959,286	

Planned Timber Sales for FY 2016

Table 8: Annual Operation Plan Timber Sales Planned On CSFL in FY 2016									
Sale Name	ODF District	CSFL Percent of Sale	Timber Sale Volume	CSFL Volume (MBF)	CSFL Acres Regen Cut	CSFL Acres Partial Cut	Total Sale Value	CSFL Project Costs	Net CSF Value
Gales Back Pocket	Forest Grove	12%	4,103	475	11	0	\$2,051,370	\$6,574	\$230,855
Nehalem Breaks	Forest Grove	0%	6,471	4	0	0	\$2,782,685	\$95	\$1,787
Trappers Cabin No 7	Southwest Oregon	100%	2,005	2,006	40	130	\$474,668	\$15,000	\$459,668
Doe Over	West Oregon	80%	2,446	1,945	47	0	\$820,335	\$25,441	\$626,758
Switch Up	West Oregon	21%	1,253	262	12	0	\$211,831	\$2,090	\$42,186
Total			16,278	4,691	110	130	6,340,890	49,201	1,361,254

Reforestation and Intensive Management

Table 9: Intensive Management Activities On CSFL - FY 2015				
Management Activity	Acres Planned	Acres Completed	Total Cost	
Initial Planting*	369	321	\$91,650	
Interplanting* **	496	475	\$37,720	
Invasive Plant Control	104	71	\$1,008	
Precommercial Thinning	200	72	\$5,506	
Pruning	6	0	\$0	
Release-Chemical- Aerial	57	12	\$3,870	
Release-Chemical-Hand**	0	26	\$2,473	
Release-Mechanical-Hand**	200	38	\$11,521	
Site Prep –Mechanical	0	0	\$0	
Site Prep -Slash Burning**	71	10	\$710	
Site Prep-Chemical- Aerial	305	245	\$12,778	
Site Prep-Chemical- Hand**	64	66	\$6,166	
Surveys - Invasive Plants	0	0	\$0	
Surveys – Reforestation	300	74	\$0	
Tree Protection-Barriers**	100	28	\$10,718	
Tree Protection-Direct Control**	559	485	\$36,679	
Underplanting*	0	0	\$0	
Total		2,831	1,923	\$220,799

*Planting costs include all costs including seedlings & seed.

** Some districts used inmate labor. Inmate crew costs are covered in this table.

Road Management Activities

Table 10: FY 2015 Annual Road Work – CSFL

District & County	Aggregate/Paved Surface (miles)			Dirt Surface (miles)			Bridge	Fish Pipes
	Constructed	Improved	Vacated	Constructed	Improved	Vacated	Installed	Installed
Astoria/Clatsop		0.2						
Coos/Coos		0.8		0.1	1.1			
Coos/Douglas		6.58		0.6	3.2			
North Cascade/ Marion	1.06	0.9						
Tillamook/Tillamook	0.3	2.3						
Totals	1.4	10.8		0.7	4.3			

Links To More Information

Stand Level Inventory

[Forest Inventory Report](#) covers the fiscal year-end stand level inventory estimates on Board of Forestry and Common School Land for each district.

Stream and Watershed Restoration

[Restoration reports](#) summarize all restoration activity reported to OWEB by State Forest Districts since 1995. Additional Elliott State Forest restoration project reports are also here.

Research and Monitoring

[R&M Webpage](#) lists recent research and monitoring reports.

Forest Health

- [Aerial Survey Summary Reports](#) by ODF Area
- [Forest Health Highlights Report](#) -Joint Publications of Oregon Department of Forestry and USDA Forest Service, Pacific Northwest Region