



Winter 2013

In this newsletter:

- A note from the new director
- Schools receive Common School fund payments
- Legislative and budget fact sheets
- Removal-fill program updates
- Restoration efforts enhance Elliott State Forest
- State rangelands benefit schools
- Search for unclaimed property!
- South Slough manager to retire in February
- Nominations open for State Land Board Awards
- Department rulemaking updates

A note from the new director



Greetings and best wishes for a happy and productive 2013! I've been the director of the Department of State Lands for three months, and

my introduction to this diverse, interesting agency has been a whirlwind of meetings and tours. My trips to the North Coast, Coos Bay and Central Oregon have already increased my understanding of the important and diverse work done by DSL. I thank everyone – from legislators and department heads in Salem to agency staff and partners across the state – for helping me learn more about what we do and how we deliver services to the public.

I am very excited to help lead DSL into the future, and am honored to serve the State Land Board, our staff and our many customers throughout Oregon. I plan to continue working on the excellent foundation Louise

Solliday built in her six years as director, and to adding my own touch on how we do the business of DSL. Specific areas that are important to me include:

Assuring transparent and accountable management of the Common School Fund through sound fiscal management and audit oversight, including: 1) Making astute and sound land management decisions that increase returns from school trust lands; and 2) Administering the unclaimed property and estate programs to transfer assets to legal owners while safeguarding assets in the Common School Fund.

Delivering clear, open, timely, helpful and professional service to everyone who comes into contact with the agency, including: 1) Continuing to improve transparency and streamlining in our permit processes, while maintaining their intended protections; and 2) Engaging education advocates so they better understand the agency's commitment to supporting schools through the Common School Fund.

Assuring our land management also remains consistent with our obligations to sound stewardship principles.

Fulfilling our responsibility within the Portland Harbor Superfund site in a timely, cost-effective manner.

Improving the use and understanding of the Coos Bay South Slough watershed through strategic management, research, and educational opportunities in the South Slough National Estuarine Research Reserve.

I hope my mixed background of rural and urban Oregon experiences brings value to the work of State Lands. I have a great love for Oregon: our people, our natural landscapes, and our desire to keep this place special. I also believe that my experience working across a wide range of issues and with a great diversity of interest groups will help me inform and improve our work at DSL. More about my professional background is on our [website](#).

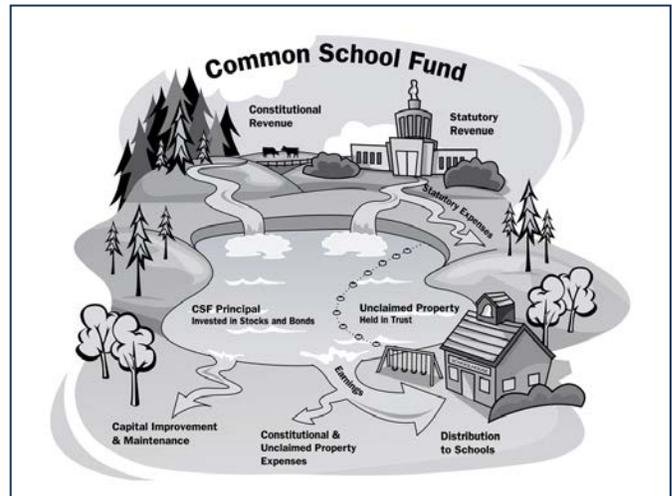
Please feel free to contact me at any time with concerns, comments and questions. My door (or phone or email) is always open!

Mary M. Abrams, Director

Schools receive Common School Fund payments

\$26.5 million sent Jan. 24 to all K-12 districts in Oregon

Each January and July, the Oregon Department of Education sends every public school district their distribution from the [Common School Fund](#). The distribution is based on the number of residents ages 4 – 20 in each county.



The Department of State Lands (DSL) and State Land Board oversee the fund, which was established in the 1800s as a trust fund for public education. Revenue from state lands, unclaimed property receipts held in the fund, and interest earnings are the primary inputs that provide funds for distribution.

The fund's market value is just over \$1 billion, and the State Treasurer, a member of the Land Board, and Oregon Investment Council oversee investments. The Land Board provides policy direction on how distributions are calculated. The goal is to smooth fluctuations in distributions so that school districts have a predictable, sustainable revenue stream from the fund.

"DSL's goal is to grow the Common School Fund corpus through astute and sound land management decisions that increase returns from state lands," said Mary Abrams, DSL director. The agency's [2012 Real Estate Asset Management Plan](#) lays out specific strategies for increasing revenue from state lands.

[Common School Fund news release](#)

Fact sheets provide legislative and budget information, agency stats



To prepare for the 2013 legislative session, DSL created a [fact sheet](#) that provides

information on the Governor's Balanced Budget for the agency, as well as policy packages and legislation to support our work. [DSL by the Numbers](#) is a companion publication that provides detail on the department's programs during Fiscal Year 2012.

Detailed information about DSL's 2013-15 budget request is available on the [DSL website](#) or by contacting [Cynthia Wickham](#), assistant director, Finance and Administration Division.

Removal-fill program updates

404 assumption

Projects affecting Oregon wetlands and waterways often require both a state removal-fill permit, issued by the Department of State Lands (DSL), and a federal permit issued by the U.S. Army Corps of Engineers (Corps). The Corps administers the federal program under Section 404 of the federal Clean Water Act (CWA) and Section 10 of the Rivers and Harbors Act.

A group of stakeholders has been meeting over the past year to examine if and how this double permit process could be streamlined. Recent developments include:

Legislative: DSL withdrew its 2013 legislative concept for state 404 assumption, but is still moving forward on streamlining from a more

holistic approach. The complexities of developing an assumed program, particularly related to Endangered Species Act compliance and cultural resource protections, required more time than was available for an agency-sponsored bill for the 2013 session. While it is possible a bill could be sponsored and introduced by a legislator, much work remains to develop the assumption process and obtain broad stakeholder buy-in. It is likely a legislative decision regarding 404 assumption will need to wait for the 2014 or 2015 session.

Streamlining Options: While continuing to investigate 404 assumption, DSL is also engaged in discussions with the Portland District Corps of Engineers on the possibility of developing a State General Permit modeled on the Corps' Nationwide Permits (NWP). The intent is for the new GP to capture most of the projects that would be eligible for NWP and to allow DSL to offer "one-stop shopping" for state and federal approvals for certain activities.



More information on 404 assumption and permit streamlining is available on the [DSL website](#) or from [Eric Metz](#), project manager.

Coyote Island Terminal permit application

In February 2012, DSL received a permit application for the Coyote Island Terminal at the Port of Morrow in Boardman. The applicant is Ambre Energy North America (Salt Lake City, Utah), and the project is a terminal to facilitate the Morrow Pacific coal transfer project. The application seeks a removal-fill permit for a proposed 572 cubic yards of permanent fill (in the form of pilings)

in the Columbia River on submerged land owned by the Port of Morrow.

Specific elements of the project related to the removal-fill law include construction staging; in-water work area isolation; construction of an elevated, fixed dock and conveyor system with supports; construction of an elevated walkway for workers, with 12 supports; and construction of nine multi-pile structures (“dolphins”) adjacent to the walkway for vessel mooring.

The department established three separate 30-day comment periods to gain public input into the permit decision (March 1 – 31 and Oct. 1 – 31 in 2012; and Dec. 4, 2012 – Jan. 3, 2013). More than 20,000 comments were received, and agency staff are now in the final review stage of assessing comments, seeking any needed information, and preparing findings for a decision. Due to the large number of comments received and remaining questions, the process of gathering information needed to make a permit decision has taken more time than expected. Currently, a decision is expected on April 1, 2013.

Additional information, including a fact sheet and the application, are available on the [DSL website](#).

Restoration efforts enhance Elliott State Forest habitat

Grants and partnerships help fund projects

Approximately 120,000 acres of forestland is part of the common school lands overseen by the State Land Board and Department of State Lands (DSL). The Elliott State Forest comprises most of this acreage – 84,562 acres of the 93,000-acre forest near Coos Bay.

Though the Oregon Department of Forestry (ODF) manages the Elliott primarily for public

school revenue from timber sales, projects to



enhance habitat on the forest have been ongoing for many years.

In 2010 and 2011, ODF’s Coos District partnered with several organizations to improve spawning habitat on creeks within the forest, and on culvert removal and replacement projects. Funding from the Oregon Watershed Enhancement Board, as well as in-kind technical assistance and other resources from agencies and organizations, contributed to the success of the restoration efforts. Three timber sales on the Elliott provided 72 logs for 17 structures for stream habitat enhancement.

Additional information on these projects and Elliott State Forest management is on the [DSL website](#).

State rangelands benefit schools

DSL’s Eastern Region oversees 630,000 acres in southeast Oregon

Controlling noxious weeds, reseeding and fencing after fires, and surveying for archaeological resources are a few of the tasks DSL staff and seasonal employees complete annually on state-owned rangelands. The agency’s [Fall 2012 Rangeland Newsletter](#) highlights several ongoing efforts to manage these lands sustainably for revenue generation over the long term.



About 97 percent of DSL's rangelands are currently leased, with 146

active grazing leases, 9 agricultural leases, and a variety of other use authorizations including communication sites. All funds from rangelands are deposited into the [Common School Fund](#).

"Since statehood, our department has been charged with providing public school funds so that Oregon schoolchildren will benefit from state lands forever," said Eastern Region Manager Lanny Quackenbush. "In order to make this happen, we must invest in our lands, and manage them well to help fulfill our multi-generational promise to Oregon schools."

More information about state rangelands is on the [DSL website](#).

Search for unclaimed property!

Online process and additional funds are incentive to check regularly for lost money

Between October and November of each year, DSL's Unclaimed Property Section receives millions of dollars from businesses and organizations holding unclaimed money. Uncashed checks, abandoned bank accounts, and stock proceeds are typical examples of unclaimed property.

The agency anticipates almost \$50 million will be available for claim from 2012 reporting alone. Although the funds are due by Nov. 1, many property holders on the east coast were significantly affected by Hurricane Sandy, and

will be reporting over the next few months, said Pat Tate, unclaimed property manager.

Staff are currently entering and balancing all the reports so that money is available for claim as quickly as possible. The new online claims process has enabled staff to handle more claims and maintain an average turnaround time of less than 30 days, which Tate expects to continue in 2013. Over two million accounts representing \$450 million in unclaimed funds are currently listed in the state lands owner database.

"The really good news is our claims to receipts ratio has increased substantially over the past few years, from about 25 percent of reported funds to nearly 50 percent," said Tate. In fiscal year 2012 (ending June 30, 2012), just over \$48 million was received, and about \$23 million was returned to owners. "With new technology, we've been able to successfully search for and find owners of unclaimed property much more efficiently than in the past, and that feels great," he said. "After all, it isn't our money – it belongs to the Oregonians who misplaced or lost track of it, and our job is to reunite them with their funds."

[Search now](#) for unclaimed property.



All unclaimed property received is held in the [Common School Fund](#), a trust fund whose earnings are sent to schools twice a year. In 2012, nearly \$48 million was sent to Oregon's 198 K-12 public school districts.

South Slough manager to retire in February

Mike Graybill served the Reserve for 30 years



In 1974, the South Slough National Estuarine Research Reserve was the first of 28 reserves established nationwide. A partnership between the National Oceanic and Atmospheric Administration (NOAA) and the

Department of State Lands, the South Slough is part of a system of reserves whose purpose is to establish collaborative solutions to natural resource issues in coastal zones.

In Oregon, the South Slough Reserve aims “to improve the understanding and stewardship of Pacific Northwest estuaries and coastal watersheds.” Its 5,000 acres are located in the Coos Estuary in Charleston on the southern Oregon coast.

Mike Graybill has been at this special place for 30 years, most of them as manager. “With the exception of a few ventures at sea and a couple of special assignments abroad, the manager’s post at the South Slough Reserve has been the focus of my entire career,” Mike said. He sums up those many years succinctly: “How blessed can a person be? How thankful can a person be for the fantastic opportunity afforded by this position?”

Former South Slough lead scientist Steve Rumrill worked alongside Mike for a quarter century, and notes, “Mike has been an exceptional naturalist and teacher who shared his enthusiasm with thousands of visitors about the hydrodynamics of the tides, the

worms in the mud, the migrations of the shorebirds, the recovery of wetlands, the successional stages of coastal forests, and the history of the indigenous peoples and early settlers. It has been a pleasure to work with Mike because he gets it... he appreciates this rare gem.”

Under Mike’s direction, the South Slough Reserve grew into a beloved natural area for local residents, schoolchildren, tourists and visiting scientists. While there are too many successes to name them here, a few highlights of the interesting and varied programs launched during Mike’s tenure include:



- Development of the Friends of South Slough into a major fundraising and volunteer arm of the Reserve
- Expansion of the 6,755-square-foot Interpretive Center, with a lecture hall, gallery space, interpretive panels, aquarium exhibits, classroom space, public bookstore and gift shop
- Construction of the Estuarine and Coastal Science lab on the campus of the UO Institute of Marine Biology in Charleston
- Support of academic research in such areas as native oysters, climate change, eelgrass beds, invasive snail populations, pH trends in the Slough, and estuarine water quality
- Expansion and upgrading of five miles of hiking trails throughout the Reserve, and launching summertime hikes for local citizens

- Development of the first plan to guide forest habitat management within the Reserve
- Acquisition of 1,500 acres of land, matching \$2.5 million bequeathed to the Reserve for expansion with \$2.5 million in federal funds
- Served as the local host for the 2009 conference of the Coastal and Estuarine Research Federation in Portland
- Provided collaborative local training programs on tsunami preparedness, watershed health, tide gates in estuarine habitats, and Geographic Information Systems (GIS)
- Development of a coastal curriculum for K-12 students across Oregon in partnership with the Oregon Coast Aquarium, High Desert Museum and Oregon Museum of Science and Industry



Until a new manager is hired, former DSL Director Louise Solliday will serve as the interim manager of the South Slough.

Nominations open for State Land Board Awards

Outstanding stream, wetland and partnership projects recognized annually

Since 2004, the State Land Board has recognized worthy environmental projects from across the state through an annual awards program. Winning projects have included dam removals, wetland restoration,

state land cleanups, stream channel restoration and exemplary stewardship programs.

This year, the board will present awards for projects completed in 2012 at their April 9 public meeting in Salem. **The deadline to submit nominations is February 20.**

“We see these awards as a way to honor good stewards of Oregon’s natural resources, and to celebrate their successes in a public forum with Oregon’s three highest elected officials,” said DSL Director Mary Abrams.



A wide variety of organizations, including watershed councils, public ports, local governments, wetland bankers, ranchers, environmental organizations and community groups have been honored for their efforts.

More information is available on the DSL [website](#), or by contacting communications manager [Julie Curtis](#).

Department rulemaking updates

Keeping up with DSL rulemaking is easy – just check the [rulemaking web page](#) which contains all the latest information and agency contact people. Of particular note are:

- New rules relating to wetland reviews and delineation expirations
- Updated removal-fill, general permit and general authorization rules

- The status of various waterway rulemaking efforts, including restoration and remediation, area-specific rulemaking, and marine reserves
- Requirements for appraisals under the land sales rules

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