

Western States Land Commissioners Association
Summer Meeting - Minocqua, Wisconsin
July 21 - 25, 2002

MONDAY, JULY 22, 2002

Roll Call

ASSOCIATE MEMBERS:

Mariana Islands - Absent

Alaska Mental Health: This has been a good year for them. They have sold lots of timber and leased a lot of land for oil and gas. They have also converted some old waterfront leases to fair market value. They market sensitive lands to conservation buyers, and continue selling waterfront lands in southeast Alaska.

MEMBERS:

Alaska: Rick Thompson reported that they expect some turmoil since it is an election year. They continue to select lands from the public domain to fill their selection rights. A major selection was near Mt. Denali which is highly mineralized. Aquatic farming is working quite well, essentially to replace timber and fishing. They have just finished re-writing their commodity use rules. They were pleased that it was not controversial. They are going through a systematic process to determine navigability.

Wyoming: Harold Kemp is serving as the interim director. They've had 6 directors in the last 8 years. They are still dealing with their Teton Village parcel. They are being challenged on their land exchange authority. A disgruntled buyer claims that their constitution prohibits land exchanges. They
Montana: Pete Van Sick led a discussion on a potential ESA listing of the black-tailed prairie dog. Their Minerals Bureau is reviewing the potential to produce CBM, but public sentiment is opposed. They are

continue to pursue an inholding exchange in Grand Teton. They are also pursuing an inholding exchange in the Medicine Bow National Forest. They are suffering from drought and bug infestations. Grazers are requesting fee waivers. Their approach is to ask the legislature to pick up the cost.

Louisiana: Absent

North Dakota: Gary reported an issue they are dealing with related to the proposed ESA listing of a butterfly on rangelands. They are also seriously impacted by drought in the west, and floods in the east. Wind energy is a up-and-coming industry there. They have some monitoring sites established on state lands. CBM is on the horizon, but not currently being developed. They are very troubled by the effect the stock market situation is having on their investments.

Texas: Hal Croft talked about legislative direction to dispose of \$150MM of under-producing state assets. To date, they have sold about \$78MM. The permanent school fund has exercised its preference and purchased much of the surplus lands.

Arkansas: Absent

looking at surface residential development. Salvage fire timber sales have proven successful on 20,000 acres of state lands.

Mississippi: Gerald talked about lawsuits

that they are involved with. Attorneys have asserted that with historic courthouse fires, they can't take title to school sections where records don't show state ownership. They have been able to acquire most of Deer Island in the Gulf. The legislature issued \$10MM bonds in order to purchase the island. They continue to be involved in title disputes on tidelands.

Idaho: Absent

Oklahoma: Ernest reported that they will have a number of new commissioners, and expect a fair amount of change. Their budget is still pretty strong, although they have agreed to take cuts to support other state agencies. They have pursued a forestry program, but have run into opposition with the legislature. They are imaging their land records and hope to have it completed in two or three years.

Washington: Doug reported that they currently have only one major fire. The northeast part of the state is still suffering from severe drought. They are trying to consolidate all of their scattered legislative directives into one chapter. They've decided to redo the entire land management code. Timber markets are down, but they're hopeful that there is a small strengthening. They are developing vineyard on some trust lands. Currently they have 38,000 acres of grapes growing in the state. Their aquatics program continues to grow. Many of their leases were under -managed and are now
Wisconsin: Doug described their ongoing activities. One land trade, which has taken 16 years, is nearly completed. They are involved in some trespass situations with the citizenry. The deer are taking a heavy toll

requiring significant oversight. They are re-calculating what their annual sustainable yields should be. It has proven to be very contentious.

New Mexico: Ray reported that they have had a very good year. They recently settled a CO2 audit for lots of money. They are applying trust lands revenues to stewardship management activities. They are working on a community development project where they partner with local government to meet community needs. They recently entered into an agreement to commence the Mesa del Sol project in Albuquerque. They continue to pursue land exchanges with the federal government to get out of holdings.

Nebraska: Jay reported that they are also experiencing severe drought accompanied with grasshoppers. They are receiving requests from lessees for rent reduction. They are willing to talk on the 2nd or 3rd year, but not year one.

Minnesota: Bill Brice discussed their pending gubernatorial election. They are involved in some lake -shore purchases. They recently spent \$6.5MM for 10 acres. They sold three lots under 10 acres for \$600K. They have three mineral companies in bankruptcy, and they are trying to get their royalty payments. They have been involved in a new iron -making process to make some of the minerals more marketable. They are involved in the Forest Legacy program.

ore -forestation efforts in some areas.

Nevada: Pam introduced staff from the Tahoe area. The program there is continuing. They are the only partner that is

seriously pursuing their obligations. They are getting ready to sell a parcel of trust land in Las Vegas. It will be the largest trust land deposits since statehood. They have a proposed bond issue to buy park and wildlife lands pending on the upcoming election.

Oregon: Ann reported that they are also experiencing some drought, and they have some serious fire situations. They are experiencing significant budget shortfalls. Their legislature is trying to take money from the school fund. They have new land sale, exchange and surface user rules being promulgated. They have had a range land lawsuit filed alleging that they are doing the wrong kind of grazing on their trust lands. The New Carrisa matter is going to court in October. Oregon is asserting that the sheep is in trespass. She brought pictures.

South Dakota: They are experiencing some grass fires, but the grasshoppers have eaten most of the combustible material. Still trying to complete an exchange with the federal government (Cryogenic offers some hope). Their investment portfolios have taken a real beating from the recent stock market situation.

Utah: Steve reported that the treasurer has

lost nearly as much as they have made during the last two years. Nearly 50,000 acres of old growth forest has burned up. Utah is pursuing another Congressional land exchange with the federal government. CBM continues to be a major revenue source.

Colorado: They are experiencing the worst drought in their history. They are taking steps to defer rental payments. They have acquired a 97,000 acre ranch in southwest Colorado. The federal government will ultimately own the ranch, they will manage it until it conveys to the federal government.

Arizona: Revenues were very close to projections. Real estate prices have remained strong. Fires have burned off hundreds of thousands of acres. Most of the fire budget has been overspent three times. They are looking at income from trust lands to guarantee bonds for school construction. Elections are likely to completely change the face of government there in the coming year.

California: Paul invited everyone to San Francisco next winter. They have adopted emergency regulations to combat terrorism on development on state lands. They are re-examining their relationships between ports and local communities.

Hawaii: Absent