

MINUTE ITEM

This Calendar Item No. 27  
was approved as Minute Item  
No. 27 of the State Lands  
Commission by a vote of 3  
to 0 at its 6-29-77  
meeting.

MINUTE ITEM

6/81  
W 21869  
Parker

27. TIMBER SALE AGREEMENT

During consideration of Calendar Item 27 attached, Mr. Andrew Sean Hanna, Vice President of Calandor Pine Corporation, appeared in opposition to the staff's recommendation. It was his feeling the State could have received a higher bid if his company had had more time in which to submit its bid. It was also his feeling that if the State had required oral bids, they would have been higher. He indicated his company was prepared to offer at least 10% in excess of the highest sealed bid. He suggested that the State reject the bids, readvertise and offer the timber for sale at public auction.

It was clarified during the meeting that Calandor Pine Corporation had been given the same amount of time in which to submit its offer as the other bidders. In addition, Mr. William E. Northrop, Executive Officer, pointed out that it was important not to delay this sale because of the nature of the timber and its vulnerability to infestation.

At the conclusion of the discussion, the Commission determined there was no basis on which to reject the bids since the procedures followed were legally sound. However, with regard to Mr. Hanna's suggestion that the State revert to oral bidding rather than sealed bids, Chairman Cory instructed the staff to report back to the Commission comparing the Federal v. State bidding systems on small timber parcels.

Upon motion duly made and carried, the resolution as presented in Calendar Item 27 was approved by a vote of 3-0.

Attachment: Calendar Item 27.

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TIMBER SALE AGREEMENT

At the May 1980 Commission meeting, the Commission endorsed a Timber Management program for State school lands and authorized the Executive Officer to solicit bids for the sale of timber. At the June, 1980 meeting, the Commission authorized entering into an interagency agreement with the California Department of Forestry that provided funding for harvest of merchantable timber from school lands. The agreement was approved and funds became available in February 1981 rather than in July, 1980 as had been anticipated. Because of the delay in funding, the staff could not be augmented until early in the Spring and it was possible to prepare only one timber sale during Fiscal Year 80-81.

The staff prepared a timber harvest on a net area of 53 acres near Adin in Modoc County totaling 416,000 board feet of sawtimber. A Timber Harvest Plan was submitted to the Department of Forestry and approved. The timber sale was advertised during the month of May, and sealed bids were opened on June 2. Six bids were opened at the time set for bid opening, and the highest bid submitted was from Fibreboard Corporation at \$134,770. Subsequent to the sale, a representative of Calandor Pine Corporation made an oral offer of \$137,416 (exceeding Fibreboard's offer by \$2,646). However, since this offer was made after the close of the bid opening, the staff recommends the contract be awarded to Fibreboard Corporation.

AB 884 DEADLINE:  
N/A.

OTHER PERTINENT INFORMATION:

1. A Negative Declaration was prepared by the Commission's staff, pursuant to CEQA and the State EIR Guidelines.
2. This project is situated on school lands not identified as possessing significant environmental values. A staff review of available environmental

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information indicates no reason to identify the subject school land parcel as having such values at this time.

- EXHIBIT:           A. Land Description.    B. Location Map.  
                  C. List of Bidders.   D. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT A NEGATIVE DECLARATION HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION AFTER CONSULTATION WITH RESPONSIBLE AND TRUSTEE AGENCIES.
2. CERTIFY THAT NEGATIVE DECLARATION NO. 272 HAS BEEN COMPLETED IN ACCORDANCE WITH CEQA, THE STATE EIR GUIDELINES AND THE COMMISSION'S ADMINISTRATIVE REGULATIONS, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN TOGETHER WITH COMMENTS RECEIVED DURING THE REVIEW PROCESS.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. ACCEPT THE BID IN THE AMOUNT OF \$134,770 AND AUTHORIZE ENTERING INTO A TIMBER SALE AGREEMENT WITH FIBREBOARD CORPORATION FOR THE SALE OF 416,000 BOARD FEET OF SAWTIMBER IN SECTION 36, T41N, R9E, MDM, MODOC COUNTY UPON THEIR PAYMENT IN FULL OF THE BID PRICE AND THEIR FURNISHING A PERFORMANCE BOND IN THE AMOUNT OF \$2,000.

RANGE 9 EAST 10N

TOWNSHIP 11 NORTH

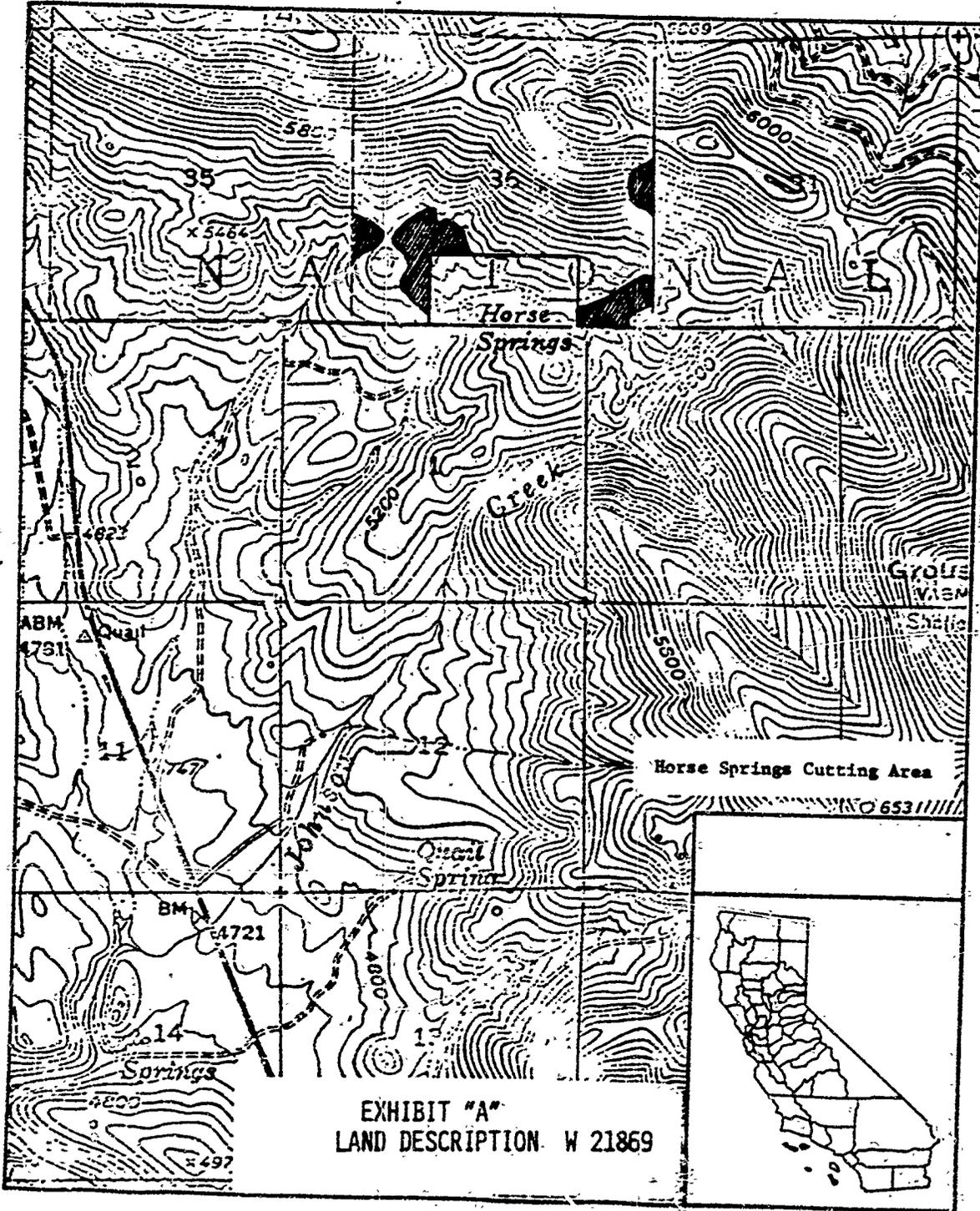


EXHIBIT "A"  
LAND DESCRIPTION. W 21869

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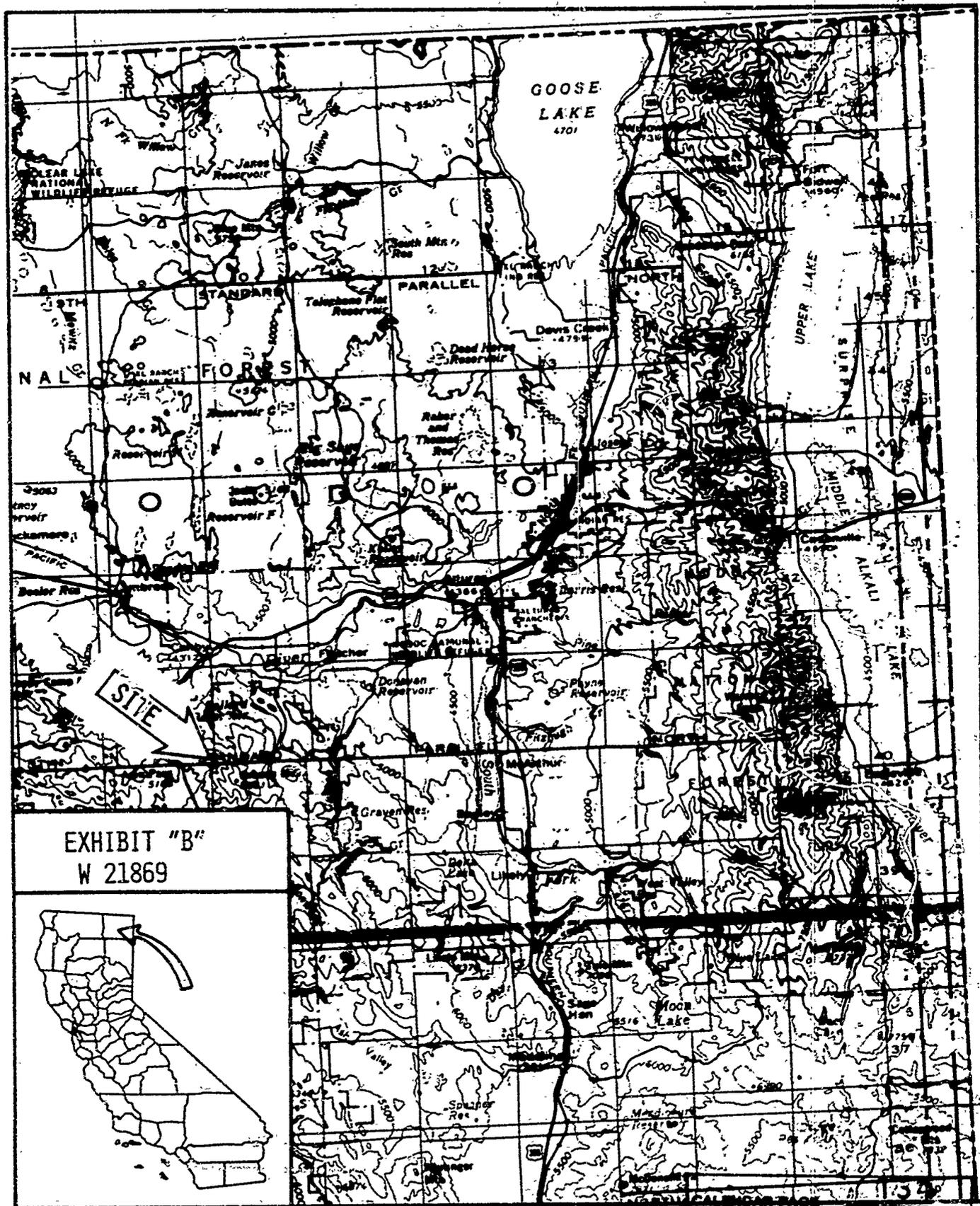


EXHIBIT "B"  
W 21869



EXHIBIT C  
LIST OF BIDS OPENED  
AT 2PM JUNE 2, 1981

<u>Bidder</u>	<u>Bid</u>
Fibreboard Corp.	\$134,770.00
Calandor Pine Corp.	\$127,416.00
Big Valley Lumber Co.	\$101,860.20
Susanville Forest Products	\$ 71,704.00
Sierra Pacific Industries	\$ 70,720.00
Edgerton Lumber Co.	\$ 59,660.00

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## STATE LANDS COMMISSION

Exhibit "D"

KENNETH CORY, Controller

MIKE CURB, Lieutenant Governor

MARY ANN GRAVES, Director of Finance

EXECUTIVE OFFICE

1807 - 13th Street

Sacramento, California 95814

WILLIAM F. NORTHROP

Executive Officer



EIR ND: 272

File Ref.: W 21869

Draft      NEGATIVE DECLARATION  
 Final

Project Title: Horse Springs Timber Sale

Project Location: Section 36, T.41 N., R.9 E., M.D.M., Modoc County.

Project Description: Harvest approximately 445,000 board feet of mature and over-mature merchantable Jeffrey Pine and White Fir, and to construct one new and reconstruct two previously used skid roads.

This NEGATIVE DECLARATION is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et. seq. of the Public Resources Code), the State EIR Guidelines (Section 15000 et. seq., Title 14, of the California Administrative Code), and the State Lands Commission regulations (Section 2901 et. seq., Title 2, of the California Administrative Code).

Based upon the attached Initial Study, it has been found that:

the project will not have a significant effect on the environment.

the attached mitigation measures will avoid potentially significant effects.

Contact Person: Ted T. Fukushima  
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FORM 13-17 (6/80)