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# Minutes

## Board of Natural Resources Meeting

October 2, 2018  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County

The Honorable Chris Reykdal, Superintendent of Public Instruction

JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor – *joined at 9:32am via conference line*

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University

### BOARD MEMBERS ABSENT

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington

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### 1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:05 AM.

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4 All Board members introduced themselves. Chair Franz noted there was a quorum for the  
5 meeting.

### 6 SAFETY REVIEW

7 Ms. Kellogg gave a safety overview and instruction on evacuating the building in case of an  
8 emergency.  
9

### 10 APPROVAL OF MINUTES

11 Chair Franz called for approval of the minutes for the September 4, 2018 Regular Board of  
12 Natural Resources Meeting.  
13

14 MOTION: Commissioner Peach moved to approve the minutes.

15 SECOND: Superintendent Reykdal seconded the motion.  
16

17 ACTION: The motion carried unanimously.  
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1 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

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3 **Eric Lowell, Timberland Regional Library**, spoke about the anticipated revenue shortfalls  
4 expected in the next two years, which could result in the closure of libraries in the State. He  
5 asked that the Board approve the SHC as soon as possible.  
6

7 **Alice Perry Linker, Citizen, Clark County**, spoke about Moulton Falls Hiking Trail. She  
8 shared concerns with an upcoming timber sale and requested that all resource extraction,  
9 including timber extraction, stop at that location. She invited the Board to attend a site visit on  
10 October 11, along with staff from PC region.  
11

12 **Linda Lorenz, Citizen, Lewis County**, spoke about a timber sale near the Moulton Falls Hiking  
13 Trail. She shared her concerns about a scheduled timber harvest and the potential for a landslide  
14 on the hillside.  
15

16 **Matt Comisky, Washington Manager, AFRC**, spoke about the timberland regional library  
17 financial concerns.  
18

19 **Rod Fleck, Forks City Attorney**, spoke about the RDEIS and the SHC and shared concerns on  
20 the maps and the numbers relating to the SHC.  
21

22 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

23 None.  
24

25 **TIMBER SALES (Action Item)**

26 **Proposed Timber Sales for November 2018, September Auction Results, Quarterly Report |**  
27 **3 handouts, including the presentation**

28 Tom Heller, Program Manager, Product Sales & Leasing Division  
29

30 Mr. Heller first discussed the current downturn in log prices and the lumber market. Mr. Heller  
31 noted that the Department is slightly worried about appraised minimum bids for the planned  
32 October 2018 timber sales. He stated that the Department plans to revisit the prices and adjust, as  
33 needed, utilizing the re-appraisal process as approved by Board Resolution 1304.  
34

35 Mr. Heller then presented the results of the September 2018 auctions. He shared that the  
36 Department offered four sales totaling 17.6 mmbf. Of those, three sales sold totaling \$5.2 million  
37 for an average of \$383 per mbf with 1.3 bidders per sale on average. Mr. Heller noted that there  
38 was a reduced number of bids received per sale during the month of September, and noted that  
39 the one sale that did not sell, Stude, will be re-examined to determine when to re-offer.  
40

41 Mr. Heller asked the Board for questions regarding the September 2018 auction results. Hearing  
42 none, Mr. Heller then presented the results for the first quarter of fiscal year 2019, noting that the  
43 Department was slightly under the planned target during this time-period. The Department has  
44 done quite well so far, receiving \$365/mbf for all sales sold thus far.  
45

1 Mr. Heller asked the Board for questions regarding the first quarter results. Hearing none, Mr.  
2 Heller then presented proposed sales for November 2018 to the Board. Mr. Heller asked the  
3 Board for questions.

4  
5 Commissioner Peach asked about the protocol for re-appraising sales, in regards to when that  
6 mechanism exists. Mr. Heller responded that re-appraisal of sales could occur through the Board  
7 approved process any time following Board approval of initial minimum bid values, and up to  
8 the auction date. Mr. Heller added that the Department prefers to go through the re-appraisal  
9 process at least two weeks prior to auction to provide interested purchasers time to review the  
10 new price.

11  
12 Superintendent Reykdal asked if total revenue projected for fiscal year 2019, \$180 to \$190  
13 million, is about right based on past years' results. Mr. Heller answered to the affirmative, noting  
14 that fiscal year 2018 was much higher than that.

15  
16 Commissioner Franz seconded Mr. Heller's comments regarding fiscal year 2018 being higher  
17 than previous years.

18  
19 Mr. Heller asked the Board for any additional questions. Hearing none, Mr. Heller then asked for  
20 approval of the proposed sales as presented.

21  
22 MOTION: Commissioner Peach moved to approve the proposed sales.

23  
24 SECOND: Dean Wright seconded the motion.

25  
26 ACTION: The motion carried unanimously.

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28 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

29 None

30  
31 **LAND TRANSACTION (Action Items)**

32 **Haven Lake Trespass, No. T3-097276; Resolution 1526**

33 Deb Whitney, Conservation, Recreation, and Transactions Division

34  
35 Ms. Whitney described the Haven Lake Trespass property that is located on the Kitsap  
36 Peninsula, approximately 23 miles southwest of Bremerton, in Mason County, Washington. She  
37 then shared that David and Janice Stewart will purchase a 0.16-acre property to resolve the  
38 trespass encroachment of their house and driveway on State Scientific School Trust property.  
39 The trespass originated when the original owner built the house without a survey, but relied on a  
40 faulty 1950's survey, which did not locate the quarter corner. In the 1980's the true quarter  
41 corner was located using GLO evidence, which shifted the section line westerly approximately  
42 80 feet. The current owners were unaware of the trespass.

43  
44 The property appraised with the HBU of residential as an assemblage to the existing residential  
45 property of the purchaser. The appraised fair market value of the property (purchase price) is  
46 \$1,500.00, which will deposit into the Real Property Replacement Account to purchase  
47 replacement property for the Scientific School Trust.

1  
2 Chair Franz asked about the buffer on the property line. Ms. Whitney stated that a 3ft buffer was  
3 included in the survey but the property owners did not want to purchase more than necessary and  
4 wanted all of the timber removed, and asked that the adjacent property owners harvest up to the  
5 property line. Chair Franz asked that the arrangement be included in the purchase and sale  
6 agreement, perhaps as an addendum. Mr. Brodie informed the Board of the sale of the adjacent  
7 property, and that harvest is scheduled. Chair Franz reiterated her concerns and stated if things  
8 are already final or close to it, there is no need to go back and re-negotiate to include terms  
9 regarding the buffer. Mr. Brodie stated that in future agreements the stipulation would be  
10 included.

11  
12 Ms. Whitney concluded by asking the Board to approve Resolution 1526.

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14 MOTION: Dean Wright moved to approve Resolution 1526.

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16 SECOND: Commissioner Peach seconded the motion.

17  
18 ACTION: The motion carried unanimously.

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20 **Hathaway Purchase, No. 08-097645; Resolution 1527**

21 Bob Winslow, Conservation, Recreation, and Transactions Division

22  
23 Mr. Winslow described the Hathaway property as located in Skagit County about seven miles  
24 north of Sedro Woolley, off Hathaway County Road. He stated that the property is 462.62 acres  
25 in size and has both site class 2 and site class 3 soils, with the vast majority being site class 3.  
26 This property is an in holding that is adjacent to DNR managed trust land. The trees are  
27 primarily conifer species, and a variety of age classes are present with the 31-35 year old age  
28 class having the most acres. A portion of the Pacific Northwest Trail goes across the property  
29 and the adjacent DNR trust lands.

30  
31 The negotiated acquisition price is \$1,450,000., and the funding used for the acquisition comes  
32 from the Land Bank. The Seller is paying the compensating tax.

33  
34 Commissioner Peach asked why the Department is using Land Bank funds. Mr. Winslow replied  
35 that the land bank is the DNR property purchase account that has the most funds available due to  
36 a former auction of the Pasco 68 property.

37  
38 Mr. Winslow recommended approval of Resolution 1527.

39  
40 MOTION: Commissioner Peach moved to approve Resolution 1527.

41  
42 SECOND: Dean Wright seconded the motion.

43  
44 ACTION: The motion carried unanimously.

1  
2 **Sekiu Auction, No. 02-096207; Resolution 1528**

3 Bob Winslow, Conservation, Recreation, and Transactions Division  
4

5 Mr. Winslow described the Sekiu auction property as located in Clallam County, southwest of  
6 the town of Sekiu. He stated that the property is a small parcel of Administrative Site land,  
7 acquired in 1981. He stated that the Department desires to sell the 1.00 +/- acre property, as it is  
8 inefficient to manage, and distribute the received auction funds to the appropriate accounts. The  
9 property has utility service and fronts onto State Highway 112. Mr. Winslow shared that there is  
10 a garage currently on the property and that there was previously a mobile home trailer on the  
11 property. The Department proposes to sell the property at Public Auction in Port Angeles with a  
12 target auction date of November 7, 2018. DNR staff recommended approval of the minimum bid  
13 price at auction of \$38,000.  
14

15 Superintendent Reykdal asked about septic and power to the site. Mr. Winslow confirmed that  
16 the sewer lines and power are at the road.  
17

18 Mr. Winslow recommended approval of Resolution 1528.  
19

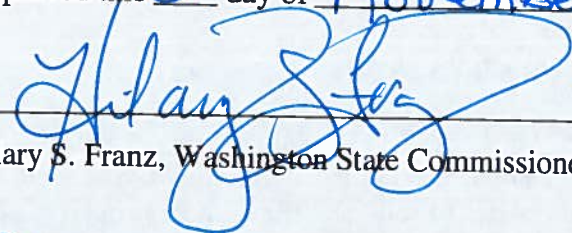
20 MOTION: Commissioner Peach moved to approve Resolution 1528.  
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22 SECOND: Dean Wright seconded the motion.  
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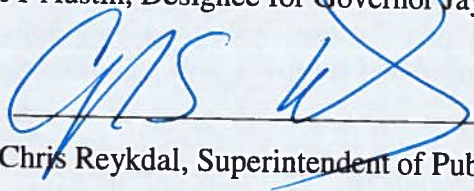
24 ACTION: The motion carried unanimously  
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28 Meeting adjourned at 9:48 AM.

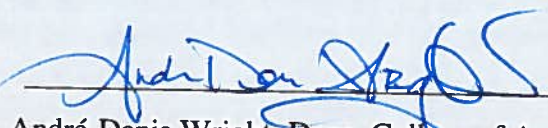
Approved this 6<sup>th</sup> day of November, 2018

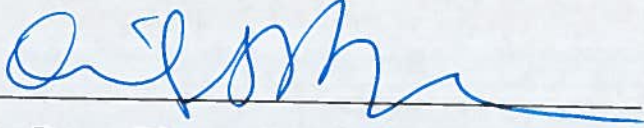
  
\_\_\_\_\_  
Hilary S. Franz, Washington State Commissioner of Public Lands

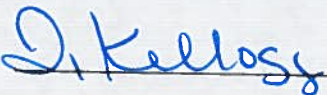
Absent  
\_\_\_\_\_  
JT Austin, Designee for Governor Jay Inslee

  
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Chris Reykdal, Superintendent of Public Instruction

of each  
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Bill Peach, Commissioner, Clallam County

  
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André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University

  
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Dan Brown, Director, School of Environmental and Forest Sciences,  
University of Washington

Attest:  
  
  
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Tami Kellogg, Board Coordinator