
Minutes

Board of Natural Resources Meeting

October 3, 2017

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

Elizabeth Van Volkenburgh, Interim Director, School of Environmental and Forest Sciences, University of Washington

Ron C. Mittelhammer, Dean, College of Agricultural, Human, and Natural Resource Sciences, Washington State University

1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:00 AM.

3
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 APPROVAL OF MINUTES

10
11 Chair Franz called for approval of the minutes for the September 5, 2017 Regular Board of
12 Natural Resources Meeting.

13
14
15 MOTION: Dean Mittelhammer moved to approve the minutes.

16
17 SECOND: Commissioner Peach seconded the motion.

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19 ACTION: The motion approved unanimously.

1 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

2 **Pricilla Christenson, Squeaky Unit 5 Concerned Citizens**, commented on the Squeaky Unit
3 sale, and due to effects to local residents and potential unstable slopes, requested either removal
4 of sale from the auction or an alternate approach for the sale.

5
6 **Jim Stouffer, WSDDA Sequim School District**, spoke about engagement with trust land
7 beneficiaries. He also noted that he has been appointed to the Healthy Forests Advisory
8 Committee and looks forward to being part of that Committee.

9
10 **Peter Goldman, Washington Forest Law Center (WFLC)**, spoke about the outcome of the
11 Forest Carbon Conference and informed the Board that a summary of the conference will be sent
12 to the Board members.

13
14 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

15 No comments.

16
17 **TIMBER SALES (Action Item)**

18 **Proposed Timber Sales for November 2017, Timber Auction Results | 3 handouts, including**
19 **the presentation**

20 Tom Heller, Product Sales & Leasing Division

21
22 Mr. Heller discussed current timber markets. He shared that timber prices are up due to a few
23 factors: log supplies at local mills are down; intense summer weather created fire-weather
24 shutdowns which, in turn, resulted in harvest operations not beginning until the fall for a number
25 of sales; and the China export market that is beginning to pick up again.

26
27 The results of the September auction were presented to the Board by Mr. Heller. The Department
28 offered 3 sales totaling 12.6 mmbf in September. Of those, all sales sold totaling \$5.5 million for
29 an average of \$436 per mbf with 3 bidders per sale on average.

30
31 Mr. Heller noted that bidding is up and marketers are beginning to bid, which drives up bid price
32 and the number of bidders. Mr. Heller then asked for questions on the September 2017 results.

33
34 Commissioner Peach asked about the Agency's current 2nd quarter planned sales and if there was
35 going to be a metering of sales. Mr. Heller responded that the sales wouldn't be metered. Rather,
36 more sales were scheduled in the 2nd and 3rd quarters based on the Agency anticipating a stronger
37 market in these two quarters.

38
39 Mr. Heller then discussed the fiscal year 2018 planned versus sold volume graph. The baseline
40 for this graph is what was scheduled as planned in July 2017. Mr. Heller mentioned the Agency
41 plans to offer 61 mmbf in October, 51 mmbf in November, and 67 mmbf in December, to
42 complete the 2nd quarter. Mr. Heller also noted the unsurety of sales planned for the 3rd and 4th
43 quarter due to a busier than normal fire season.

44
45 Commissioner Peach asked if the Agency was limited by staffing due to fire season to schedule
46 more volume in the 2nd quarter. Mr. Heller responded that the Agency is hitting their original
47 schedule and sales planned for the 2nd quarter were completed prior to impacts from fire season.

1
2 Commissioner Peach commended the Agency for scheduling sales in such a positive market.

3
4 Commissioner Peach also commented about timber marketers helping bid prices.

5
6 Mr. Heller agreed, and added that marketers also aid the timber industry by increasing
7 opportunities and being able to deliver logs where most needed.

8
9 Mr. Heller then presented proposed sales to be offered in November 2017 to the Board. Mr.
10 Heller noted the high average value of proposed sales which is due to a combination of a positive
11 market and an above average product mix.

12
13 Mr. Heller asked for approval of the sales package if there are no questions. There were none.

14
15 MOTION: Dean Mittelhammer moved to approve the proposed sales.

16
17 SECOND: Director Van Volkenburgh seconded the motion.

18
19 ACTION: The motion approved unanimously.

20
21 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

22 No comments.

23
24 **LAND TRANSACTION (Action Items)**

25 **Pasco 16 R-3 Land Sale, No. 02-092580; Resolution 1508**

26 Dave Gordon, Transactions ADM, Recreation, and Transactions Division

27
28 Mr. Gordon presented the Pasco 16 R-3 Land Bank Sale, which is a re-auction of the parcel. He
29 reminded the Board that the property did not sell when it was previously auctioned in November,
30 2016. Mr. Gordon stated the 37.86 acres of land is zoned for multi-family/residential use within
31 the Urban Growth Area in the city of Pasco. Bidding will begin at the appraised market value of
32 \$1,200,000. Proceeds from the sale of this property will be used to acquire productive trust lands
33 elsewhere.

34
35 Mr. Gordon concluded by asking the Board to approve Resolution 1508.

36
37 MOTION: Commissioner Peach moved to approve Resolution 1508.

38
39 SECOND: Superintendent Reykdal seconded the motion.

40
41 ACTION: The motion approved unanimously.

1 **CHAIR REPORT**

2 **Marbled Murrelet Long-term Conservation Strategy and Sustainable Harvest Calculation**

3 Angus Brodie, Deputy Supervisor for State Uplands

4 Andy Hayes, Forest Resources Division Manager

5
6 Angus Brodie and Andy Hayes presented on the marbled murrelet long-term conservation
7 strategy and the sustainable harvest calculation. Mr. Brodie began by discussing the timeline of
8 work that needs to occur between the selection of a marbled murrelet alternative, and the release
9 of a final environmental impact statement. If the Board selects a preferred alternative in
10 November, the final EIS and HCP amendment is expected to be completed in May, 2019.

11
12 Mr. Brodie then discussed the relevance of the trust mandate and HCP issuance criteria in the
13 context of these topics. He discussed metrics that have been presented to evaluate alternatives
14 given DNR's fiduciary responsibility under the State Constitution, and the issuance criteria that
15 US Fish and Wildlife Service will use to measure DNR's proposed amendment to the HCP. The
16 baseline requirements to meet the issuance criteria and the expectations of USFWS related to
17 marbled murrelet conservation include protecting all occupied sites, reducing the risk of
18 degradation of those occupied sites over time, providing mitigation by developing future habitat
19 in strategic locations, and minimizing short-term risks to the population. Based on their
20 understanding of the Endangered Species Act and their discussions with USFWS, staff asserted
21 they believe that Alternative B or any alternative based solely around the conservation of
22 occupied sites would not meet the requirement of utilizing strategic locations.

23
24 Chair Franz adjourned for a break at 10:46, and then reconvened the meeting at 10:58.

25
26 Mr. Hayes presented staff's recommendation for a preferred alternative. It incorporates both
27 input from the Board, as well as feedback from public comment. The staff-proposed alternative
28 consists of all occupied sites with buffers, metering of habitat in strategic locations, conservation
29 areas, extra mitigation for uncertainty, and reduced economic impacts on heavily impacted
30 country trust land. Maps were shown that highlighted conservation area locations, and estimated
31 impact and mitigation numbers were also shown.

32
33 Riparian and arrearage options were then discussed. The preferred riparian alternative that was
34 discussed in the September meeting was presented – to conduct riparian harvests based on their
35 ecological value, to not include harvest volume in the SHC, but to count those harvests in
36 riparian areas towards the meeting the SHC. Likewise, the preferred arrearage option of 702
37 MMBF over 10 years was again shown as discussed in September.

38
39 Mr. Brodie and Mr. Hayes then discussed next steps, including the selection of the preferred
40 alternative, and the production of a Supplemental Draft Environmental Impact Statement and
41 draft HCP amendment.

42
43
44 **PUBLIC COMMENTS FOR CHAIR REPORT**

45 **Shawn Cantrell, NW Regional Director for Defenders of Wildlife;** commented on the
46 evaluation criteria, specifically the significant contribution criterion and its intent as stated in the

1 HCP. He also suggested that alternative F is the only one that leads to improved conditions for
2 the marbled murrelet.

3
4 **Peter Goldman, WFLC;** spoke about comments made by the public and stakeholders, and
5 asked if the Board has read or heard their comments. He feels the Board cannot choose the
6 preferred alternative and keep their obligations to the trusts, making note of not being able to
7 take more than is given. He also stated the Board should not rely on confidential attorney-client
8 privileged conversations, and that discussions should take place in a public setting.

9
10 **Matt Comisky, AFRC;** commented on the timeline of the process and commenting after hearing
11 the presentation. He asked to see the metrics on land available on federal land for habitat
12 conservation. He urged the Board to get proper information in order to make a fully informed
13 decision.

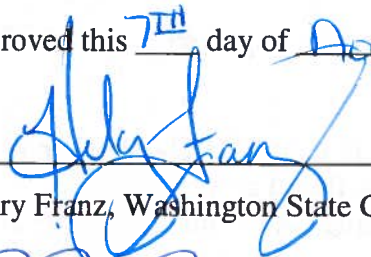
14
15 **Arianne Jaco, WEC;** spoke to the three options brought to the Board in September that do not
16 offer a significant contribution to the conservation of marbled murrelet habitat. She asked for a
17 more protective strategy in the upcoming DEIS.

18
19 **Art Wong, Tahoma Audubon Society;** spoke about the evaluation criteria shared and
20 emphasized the output instead of land acreage. He further stated that the preferred alternatives
21 appears to be a principle, and questioned whether the marbled murrelet population decline will
22 be abated. He also shared his confusion with affected acres and mitigated acres.

23
24 **Paul Bialkowsky, Interfor;** shared his concerns with riparian harvest not being counted in the
25 planned sustainable harvest levels, yet having that volume credited to the sustainable harvest
26 level volume. He favors a separate riparian harvest target.

27
28 Chair Franz asked for questions from the Board following public comments. Hearing none, she
29 adjourned the meeting at 12:09 PM
30

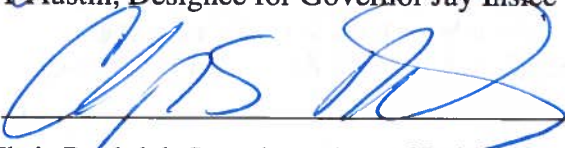
Approved this 7th day of November, 2017



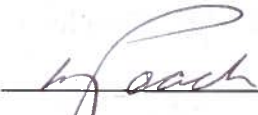
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Attest:



Tami Kellogg, Board Coordinator