
Minutes

Board of Natural Resources Meeting

February 7, 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 – *via conference call*

1 CALL TO ORDER

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

3
4 All Board members introduced themselves with Dean Mittelhammer participating via phone.

5 6 SAFETY REVIEW

7 Ms. Vansot 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 January 3, 2017 Regular Board of Natural
12 Resources Meeting and the January 17, 2017 Special Board of Natural Resources Meeting.

13
14 MOTION: Commissioner Peach moved to approve the minutes.

15
16 SECOND: Ms. Austin seconded the motion.

17
18 ACTION: The motion was approved unanimously.

19 20 PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

21 Graham Taylor, representing the National Parks Conservation Association, stated that he hopes
22 DNR will reaffirm past Commissioner Goldmark's letter to the Navy reflecting DNR's position

1 on electromagnetic warfare training on state lands and commended DNR's work on the long-
2 term conservation strategy on setting aside enough habitat for the murrelets to recover over time.
3

4 Chris Mendoza, representing WFLC, spoke about aquatic resource protection under the state
5 lands habitat conservation plan and the protected buffers for the marbled murrelet species. Mr.
6 Mendoza remarked that he hopes the Department maintains the buffers in the sustainable harvest
7 calculation.
8

9 Phillip Kitchel, citizen, spoke about his concerns around the efforts made by the Clallam County
10 Trust Land Advisory Committee and asked the Board to consider doing an economic analysis of
11 state lands, per statute.
12

13 Kaj Ahlburg, representing Port Angeles Business Association (PABA), requested the Board
14 choose Alternative B for the marbled murrelet long-term conservation strategy and choose a
15 sustainable harvest calculation of no less than the current 550 MMBF annually, and adopt the
16 702 MMBF arrearage calculation. Mr. Ahlburg also requested the DNR to conduct a resource
17 inventory of its trust lands.
18

19 Ken Miller, representing the Washington Farm Forestry Association, spoke about the importance
20 of the Board to sustain markets for large logs.
21

22 Harry Bell, read a letter from Carol Johnson, Executive Director of the North Olympic Timber
23 Action Committee, sharing her concerns about the continual decline of timber harvest volume
24 and encouraged the Board to pick an alternative that maximizes the volume within the
25 constraints of the endangered species act.
26

27 Brian Garrett, representing the PABA, spoke about RCW 79.64.110, revenue distribution, and
28 the Board's responsibility to each county independently, rather than all counties in aggregate.
29 Mr. Garrett stated they expect that, in addition to the new sustainable harvest levels, the sale of
30 the 92 MBF arrearage in Clallam County. He requested a report and explanation of the volume
31 of timber not harvested.
32

33 Brain Grad, representing the Olympic Climate Action, spoke about their interest in the forest and
34 its ability to sequester CO2 carbon and the value of forest management for the trust.
35

36 Ron Richards, Chairman of Save the Olympic Peninsula, echoed Mr. Taylor's comments about
37 DNR's position on electromagnetic warfare on state lands. Mr. Richards cautioned the Board on
38 PABA's advice on DNR violating their fiduciary responsibility and the work of the Clallam
39 County Trust Land Advisory Committee.
40

41 Connie Beauvairs, Port Commissioner, Port of Port Angeles, spoke about the draft EIS and their
42 interest in the public policy decision process and the impacts on their economic interest. Ms.
43 Beauvairs urged the Board to modify Alternative 2 to retain ecological safeguards documented in
44 the DEIS while enhancing economic benefits to the trust beneficiaries.
45

46 Matt Comisky, Washington Manager of the AFRC, welcomed the new Board members and gave
47 a brief introduction of AFRC including whom they represent.

1 Mike Town, citizen, spoke about the Singletary timber sale. Mr. Town stated the benefits of
2 delaying the Singletary sale so DNR can do a reconfiguration and join a trail through the forest
3 between the county trailhead and Wallace State Park. He thanked the Snohomish County for
4 their recent resolution on the issue.

5
6 Commissioner Dan Cothren, representing Wahkiakum County, shared his concerns on the
7 unknowns of the long-term conservation strategy and the sustainable harvest calculation.
8

9 Peter Goldman, Director of the WFLC, welcomed the Commissioner and the new Board
10 members. Mr. Goldman thanked the DNR for their transparency during the transition. He stated
11 the need to ensure implementation of the state 1997 HCP and expressed his interest in working
12 with the Board to develop ecosystem services that can help augment conservation on the state
13 and county forestlands.
14

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

16 Phillip Kitchel, citizen, spoke about the summary of revenue produced from the harvest of state
17 forest board lands transfer in Clallam County. He remarked on the importance of the revenue for
18 the operation of the junior taxing districts, counties general funds, and the counties road
19 department.
20

21 Peter Goldman, Director of the WFLC, representing Alpine Lakes Protection Society, Pilchuck
22 Audubon Society and Skykomish Environmental and Economic Alliance, asked the Board to
23 postpone the Singletary timber sale for one month and 25 acres to be set aside, at the request of
24 Snohomish County. Mr. Goldman then gave the Board a brief history of the sale and urged the
25 Board to consider the county's proposal.
26

27 **TIMBER SALES (Action Item)**

28 **Proposed Timber Sales for March 2017 3 handouts, including the presentation**

29 Tom Shay, Product Sales & Leasing Division
30

31 Mr. Shay presented the results of the January 2017 auctions to the Board. The Department
32 offered 13 sales totaling 53.0 mmbf. All sales sold totaling \$18.1 million for an average of \$341
33 per mbf with 2.8 bidders per sale on average.
34

35 Mr. Shay then presented proposed sales offered in March 2017 to the Board.
36

37 Mr. Shay asked for approval of the proposed sales as presented.
38

39 MOTION: Commissioner Peach moved to approve the proposed sales.
40

41 SECOND: Director Van Volkenburgh seconded the motion.
42

43 ACTION: The motion was approved unanimously.
44

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

46 None.
47

1 **LAND TRANSACTION (Action Items)**

2 Dave Gordon, Recreation, and Transactions Division

3
4 Mr. Gordon presented the Board with a brief overview of the Department's Land Transactions.
5 The DNR strives to maximize the amount of revenue earned from state trust lands while
6 balancing financial need with the important ecological benefits of the lands. In order to meet the
7 often vastly different objectives of sustaining a dependable source of revenue efficiently, it can
8 be beneficial to reposition or reclassify certain assets.

9
10 **Mattawa 20 Land Transaction, No. 02-094707; Resolution 1498**

11 Michelle Burbidge, Recreation, and Transactions Division

12
13 Ms. Burbidge presented to the Board the sale of 20 acres of Common School Trust lands to the
14 Wahluke School District. The property is located in Grant County and is zoned Agricultural by
15 the county yet is zoned Commercial by the city of Mattawa and lies within the city's Urban
16 Growth Area. It is adjacent to other DNR Common School Trust lands. The appraised value and
17 sales price is \$320,000 and proceeds will go to the Real Property Replacement Account.

18
19 Ms. Burbidge asked for approval of Resolution 1498.

20
21 MOTION: Superintendent Reykdal moved to approve Resolution 1498.

22
23 SECOND: Commissioner Peach seconded the motion.

24
25 ACTION: The motion was approved unanimously.

26
27 **White Salmon Land Transaction, No. 02-093664; Resolution 1499**

28 Bob Winslow, Recreation, and Transactions Division

29
30 Mr. Winslow presented the White Salmon transfer property to the Board. The property is
31 located in Klickitat County 10 miles northwest from the City of White Salmon. The property
32 consists of a 2.03-acre parcel of Common School Trust land proposed for transfer to the City of
33 White Salmon to continue to use as a water diversion and water treatment facility. The city has
34 used the property since the 1930's under permit and lease. The parcel is located within the
35 riparian area of Buck Creek and the trees are not harvestable due to the riparian buffer zone. The
36 county zoning is Forest Resource and requires 20 acres per home site, but a governmental
37 exemption permits this 2.03-acre transfer. There are several tenant-owned improvements located
38 on the property associated with the water treatment and water distribution system.

39
40 The appraised value of the property is \$17,000 (\$8,374/acre), which would go into the Real
41 Property Replacement Account to acquire replacement Common School Trust land. DNR will
42 also grant an easement to the city along the B-1000 road for \$66,389. Payments made over a
43 five-year period are at an interest rate of 6%. The easement payment will go to the Permanent
44 Account for the Common School Trust.

45
46 Mr. Winslow recommended approval of Resolution 1499.

1 MOTION: Superintendent Reykdal moved to approve Resolution 1499.

2
3 SECOND: Commissioner Peach seconded the motion.

4
5 ACTION: The motion was approved unanimously.

6
7 Chair Franz convened a break at 10:03 AM and reconvene the Regular Board of Natural
8 Resource Meeting at 10:13 AM.

9
10 **PUBLIC COMMENTS FOR CHAIR REPORT**

11 Connie Beauvais, Port Commissioner of the Port of Port Angeles, shared her concerns about the
12 Board setting a precedent for allowing a portion of the Singletary timber sale to be set aside.

13
14 Bill Turner, Timber Manager for Sierra Pacific Industries, spoke in favor of the Singletary timber
15 sale. Mr. Turner encouraged the Board to support the Singletary timber sale as the Board has
16 approved previously.

17
18 Doug Cooper, Vice President of Resources for Hampton Lumber Mills, spoke in favor of the
19 Singletary timber sale. Mr. Cooper stated that an action from the Board to rescind their previous
20 decision implies that something went wrong and asked the Board to identify what that was in
21 their deliberations moving forward.

22
23 Matt Comisky, Washington Manager for AFRC, voiced his concerns about the Singletary timber
24 sale and the precedent it will set. Mr. Comisky stated there are additional costs to the
25 beneficiaries waiting on the 25 acres and reminded the Board of DNRs multiple use statute.

26
27 Mike Town, citizen, spoke about the Singletary timber sale. Mr. Town stated the solution
28 presented is a win-win by asking to delay a portion of the timber sale in order to come up with a
29 way to compensate the junior taxing districts so there is not a lost in revenue.

30
31 Superintendent Reykdal asked Mr. Town a clarifying question on the economic argument he was
32 making and Mr. Town responded that the county would find a way to compensate the junior
33 taxing district for the removal of the 25 acres of lands.

34
35 **CHAIR REPORT**

36 **Singletary Timber Sale**

37 Angus Brodie, Deputy Supervisor for State Uplands

38 Sam Low, Snohomish County Councilmember

39
40 Mr. Brodie provided the Board with a brief history of the Singletary timber sale. He presented
41 the sale as proposed and approved by the Board in the January 2017 timber sale packet. Mr.
42 Brodie provided details on Units 1, 2, and 3 of the timber sale, and identified the buffers and the
43 leave areas within the timber sale boundaries. He explained that it was a variable retention
44 harvest, leaving a substantial amount of trees behind. He noted that this area is the location of
45 the trailhead that Snohomish County purchased a few years back where a constructed trail meets
46 up with one of the roads DNR will be constructing.

47

1 Councilmember Low presented the Board with a proposal and a joint resolution. He stated the
2 resolution received a unanimous vote, expressing that it represents the voters of Snohomish
3 County including the junior taxing districts. He also noted and apologized for the absence of
4 Snohomish County at last month's Board meeting stating it was due to recent elections.
5 Mr. Brodie referenced a map with the area showing the 25 acres in question, the Wallace State
6 Park boundary, and the current constructed trails, adding there would be a road that passes
7 through the trail, if the Board defers the 25 acres.

8
9 Superintendent Reykdal asked about the existing trails and if there is a continuous system that
10 accesses the park elsewhere. Mr. Brodie answered that DNR, along with State Parks, Snohomish
11 County and the recreational community members (hiking interest, mountain bike interest, back
12 country horsemen, and the motorized interest) worked on the Reiter Foothills Recreational Plan
13 detailing the current trail system. Mr. Brodie expressed the area is currently designated for non-
14 motorized users, but work is being done to develop trails across DNR managed lands into the
15 park.

16
17 Superintendent Reykdal then asked if State Parks is prepared to receive the trails and put in the
18 infrastructure and facilities to accommodate the continuing system. Mr. Brodie answered that it
19 is his understanding that Parks is prepared.

20
21 Mr. Brodie then presented a map that showed existing timber sales and other activities on DNR
22 managed lands around Wallace State Park. He explained that the typical practice is for DNR to
23 restore the trail to its original condition whether there is an existing or new trail going through a
24 timber sale.

25
26 Interim Director Van Volkenburgh asked about the pink area on the map and wanted to know
27 more about the parking area from the south end. Mr. Brodie explained that there are no exits
28 from the current destination and the current design for the trails is mountain biking and hiking.
29 He added that, under the Reiter Foothill Recreation Plan, the idea is to establish a completed trail
30 system. Mr. Brodie stated that the entire sale is a variable retention harvest, meaning DNR will
31 maintain small clumps of trees and legacies as DNR conducts harvest activities. She also asked
32 when the trails are to be completed and how old the regrowth will be. Mr. Brodie explained if
33 sale sells in March and with an 18-month contract in place, the trails will be complete in 18
34 months, but actual timeframe remains unknown due to the funds not yet secured.

35
36 Commissioner Peach asked what the value is for the 25 acres and Mr. Brodie answered that it is
37 in the range of a quarter to half a million dollars and about a million board feet being removed,
38 but there is no approximate value at this time.

39
40 Commissioner Peach asked what the percentage of success was when DNR has been involved in
41 with transactions, and were asked to have an alternative to timber harvest and where a
42 commitment was made to generate revenue to compensate the Department. Mr. Brodie stated
43 that Whatcom County is an example, though not at this scale, where the county reconveyed their
44 lands, and stated there was no compensation from DNR to the school district that he knew of.

45
46 Another example he provided was Blanchard Mountain in western Skagit County, where a
47 diverse group of people along with DNR, identified a core area of Blanchard, 1,600 acres, where

1 there is compensation for the timber value. He remarked that it was valued at \$12 million and
2 DNR has received half of the revenue from the legislature to date and DNR is seeking \$7.7
3 million more to compensate. Mr. Brodie added that he is not aware of any other similar
4 transactions at this point.

5
6 Commissioner Peach asked what the amount of monies the DNR requires of the timber sale
7 purchaser to secure a timber sale. Mr. Brodie answered that the bid deposit is 10% of the value.

8
9 Commissioner Peach then asked Councilmember Low if the County is ready to step forward with
10 the funds to help secure the transaction. Councilmember Low stated that he can go back to his
11 council and put forth another resolution, but that would mean delaying the process further and
12 making it more difficult. He stated that the County's priority is that the junior taxing district
13 receive their monies as soon as possible and have closure, noting that if they cannot find a
14 solution within the four-year limit, the landscape can be harvested.

15
16 Commissioner Peach asked if the County was committed to providing the cash flow and
17 Councilmember Low answered yes and that the council was looking at the four-year process for
18 making the junior taxing district whole.

19
20 Chair Franz asked Mr. Brodie to present the draft resolution for the Board to consider.

21
22 Mr. Brodie then went through the draft resolution. First, he touched on Section C: to take lawful
23 action to accommodate Snohomish County's request, DNR would explore with the County the
24 mechanism to keep the trust beneficiaries whole. The request is to defer the 25 acres to protect
25 the trail; he remarked that DNR does not know what that mechanism is at this time. He then
26 went onto Section D: which allows the Supervisor the authority to reappraise the value of the
27 timber sale to move it forward and bring back to the Board for final approval. Lastly, he stated
28 that section three refers to the long-term nature of the deferral and concluded that the draft
29 resolution is ready for the Board to consider.

30
31 Chair Franz asked Commissioner Peach to present his version of the draft resolution, in which he
32 did noting the importance of the cash flow for this type of transaction to the junior taxing district.
33 He then added that with this proposal the Board is setting a precedence on future timber sales.

34
35 Chair Franz asked Mr. Brodie for clarification on the language in Section 3, that Commissioner
36 Peach put forward and asked if there would be potential for two timber sales in March, if the
37 County is unable to come up with the suggested deposit. Mr. Brodie answered that there is a
38 potential for that.

39
40 Chair Franz asked if Mr. Brodie could speak to the other timber sales in the area within the four-
41 year timeframe that would allow for the 25 acres to be included in future sales. Mr. Brodie
42 answered there is 1,200 acres that are accessible, but Singletary has quite a bit of infrastructure
43 that we need in order to build access to the rest of the landscape for timber harvest and
44 recreational activities. He then referenced the other sales on a map to the Board.

45
46 Chair Franz asked for a motion to the two resolutions.

47

1 Superintendent Reykdal stated that he would not make a motion on either one of resolutions. He
2 stated that the two or four-year delay is a tremendous gamble, expending many taxpayer dollars,
3 if the County cannot come through with the funds. He asked why would we not proceed with the
4 entire sale as proposed and take the time to build in a trail system later, so that when it is ready
5 for the users we will have the timber there to help create the visible buffer we intended.
6

7 Councilmember Low stated that the County wants to work hard to save the 25 acres, and if the
8 county is unable to find a solution, they will harvest the 25 acres. He expressed that the county
9 is asking for a four-year window to find a solution.
10

11 Dean Mittelhammer agreed with Superintendent Reykdal's comments and stated his concerns
12 about the proposed resolution. He reminded the Board of the fiduciary responsibility and the
13 integrity of the timber sales program. Dean Mittelhammer remarked that he could not support the
14 resolution.
15

16 Chair Franz remarked that it is important to think about the background of this sale. She stated
17 that during the process of developing the sale, concerned stakeholders stated their desires to
18 protect this area and see if there was an opportunity for reconveyance.
19

20 Chair Franz then spoke about a proposal from the county to find a compromise to compensate
21 the trust beneficiaries and for the 25 acres. She stated that she is a believer in our community
22 and the counties coming forward with solutions at the local scale to strengthen the local
23 economy, secure the resources for the beneficiaries, and ensure the health of the environment for
24 the recreationalist who really value these areas in their communities. She stated that her
25 commitment to the Board is to have these types of proposals come forward before the timber
26 sale.
27

28 Superintendent Reykdal asked how many votes are required to take action. Ms. Christa
29 Thompson, Board of Natural Resources' Attorney, explained that by statute, there must be four
30 affirmative votes to take action and if there were no affirmative votes to withdraw or alter the
31 timber sale, the Board's prior approval would stand and the timber sale could be auctioned in
32 March .
33

34 MOTION: Chair Franz moved to approve Resolution 1500.
35

36 SECOND: Ms. Austin seconded the motion.
37

38 ACTION: The motion failed with four opposing the motion: Dean Mittelhammer,
39 Superintendent Reykdal, Commissioner Peach, and Interim Director Van Volkenburgh.
40

41 **PUBLIC COMMENTS FOR CHAIR REPORT ON MARBLED MURRELET LONG-** 42 **TERM CONSERVATION STRATEGY**

43 Phillip Kitchel, citizen, spoke about the marbled murrelets, the sustainable harvest calculation,
44 and the importance of good data to make these decisions. He asked for an explanation of acres
45 being removed and off-based for harvest.
46

1 Ann Forest Burns, Vice President for AFRC, spoke about the Draft Environmental Impact
2 Statement (DEIS) for the marbled murrelet long-term conservation strategy. Ms. Burns stated
3 only Alternative B fulfills the Board's fiduciary obligation and be legally adopted.
4

5 Lisa Remlinger, Forest Program Director for WEC, spoke about the alternatives analyzed for
6 marbled murrelet long-term conservation strategy. She stated they believe none of the
7 alternatives incorporates all the best available science for recovering marbled murrelet
8 population.
9

10 Miguel Perez-Gibson, representing the WEC, spoke about the sustainable yield calculation. He
11 asked the Board to keep the following in mind: the calculation process, the responsibility the
12 Board has to the beneficiaries, and the analysis used for the calculation. Mr. Perez-Gibson asked
13 the Board to look at best strategies for the beneficiaries and to adopt the best policy moving
14 forward.
15

16 Mr. Brodie asked Chair Franz and the Board if he could get their approval to bring the Marbled
17 Murrelet Long-term Conservation Strategy presentation back to the Board next month due to
18 time constraints.
19

20 Superintendent Reykdal asked to get an inventory on trust lands adjacent to school properties.
21 Mr. Brodie stated that DNR would put an inventory together and report on the status of the
22 progress. Chair Franz added that DNR would work on completing an asset management analysis
23 and inventory of DNR lands.
24

25 Meeting adjourned at 11:49 AM.



Approved this 7th day of March, 2017

Hilary Franz
Hilary Franz, Washington State Commissioner of Public Lands

JT Austin, Designee for Governor Jay Inslee

Chris Reykdal
Chris Reykdal, Superintendent of Public Instruction

Bill Peach
Bill Peach, Commissioner, Clallam County

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

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

Attest:

Tami Kellogg
Tami Kellogg, Board Coordinator

