
Minutes

Board of Natural Resources Meeting

September 3, 2019

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

Jim Cahill, Designee for the Honorable Jay Inslee, Washington State Governor

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

Joined via conference call

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

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 7 SAFETY REVIEW

8 Ms. McGuire played a safety overview and instruction on evacuating the building in case of an
9 emergency.

10 11 APPROVAL OF MINUTES

12 Chair Franz called for approval of the minutes for the July 2, 2019 Regular Board of Natural
13 Resources Meeting.

14
15 MOTION: Dean Wright moved to approve the minutes.

16
17 SECOND: Commissioner Peach seconded the motion.

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19 ACTION: The motion carried unanimously.

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21

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

2
3 Gregory Shaw, Clark County
4 Livingston Quarry

5
6 Mr. Shaw shared on the topic of the title and benefit reserved mineral rights of forty acres of
7 former state scientific trust land now known as the Livingston mountain quarry since April, 15th
8 2013. The Livingston mountain quarry has been operated jointly with D.N.R. Its own Livingston
9 mountain quarry has essentially been depleted. D.N.R. recently entered into a new agreement
10 with the private operator that allows the state quarry site to be used to continue processing and
11 sale of trust owned rock from the private quarry.

12
13 Mr. Shaw commented that the Board has a responsibility to reclaim state ownership and title to
14 the mineral rights, and to end the renewed sale of trust assets from Livingston quarry. Which
15 would establish how much money has been lost, how much trust rock is still stockpiled on the
16 site, and to demand repayment in terms of the enabling the act that granted the land was clear
17 united responsibility to the beneficiaries of the trust.

18
19 Cheryl Heywood, Director
20 Timberland Regional Library

21
22 Ms. Haywood shared that twenty seven public libraries that serve approximately five hundred
23 thousand residents in Grays Harbor, Pacific, Lewis, Thurston and Mason counties as a
24 beneficiary of Trust Lands timber. Timberland Regional Libraries relies on timber revenues to
25 provide library services and resources.

26
27 Over the past several years timber revenue has accounted between 1.6 and 1.9 million. In the late
28 ninety's that used to be about six million dollars a year, these funds go directly back into library
29 services and capital projects.

30
31 Ms. Heywood shared that, as of the 2019 summer to twenty seven libraries are official
32 connection sites in the Workforce Network that work under the Pacific
33 Mountain Network Workforce Development Council. Residents within seven thousand square
34 miles can receive access to the Timberland Library to be connected to works services. Staff from
35 the libraries meet with job seekers at the library. Residence with the card can access workforce
36 related online resources twenty four seven, such as Lynda.com.

37
38 The strategic plan for 2020 to 2022 is being developed.

39
40 Rod Fleck, Attorney
41 Forks, WA

42
43 Mr. Fleck shared that he is looking forward to the Solutions Table meeting being in Forks on
44 September 17th, 2019.

45
46 Mr. Fleck commented on the land exchange that is going on in Jefferson County.
47

1 Margaret Tuff, Kitsap Environmental Coalition

2
3 Ms. Tuff shared on climate change and the impact to forest health. Ms. Tuff read from W.E.C
4 which states that trust beneficiaries to adopt a sound forest carbon management policy or rules.

5
6 At this time Commissioner Franz has to step away from the meeting and delegated to
7 Commissioner Bill Peach.

8
9 Robert Bruce, Kitsap Environmental Coalition

10
11 Mr. Bruce shared his concerns regarding climate change and emissions. Mr. Bruce stated that the
12 impact would be statewide and the effects it would cause to families due to illnesses and
13 waterborne diseases if there is not policy in place.

14
15 Beverly Parsons, Kitsap Environmental Coalition

16
17 Ms. Parsons commented on her concern regarding climate change and the crisis that the state of
18 Washington is in.

19
20 Pam Keeley, Kitsap Environmental Coalition

21
22 Ms. Keeley shared that the Kitsap Environmental Coalition started in response to the aerial spray
23 of pesticides along with clearing cutting practices.

24
25 Ms. Keeley shared about a spraying event that took place in Jefferson County.

26
27
28 At this time Dan Brown, Director, School of Environmental and Forest Sciences, University of
29 Washington joined the meeting via conference call.

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33 **TIMBER SALES (Action Item)**

34 **Proposed Timber Sales for July and August 2019**

35 Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division, Washington
36 State Department of Natural Resources

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38
39 The results of the July and August 2019 auctions were presented to the board by Ms. Eagle. In
40 July, the Department offered 9 sales totaling 37.4 mmbf. The 5 sales sold totaled \$3.3 million for
41 an average of \$131 per mbf with 1.8 bidders per sale on average. In August, the Department
42 offered 12 sales totaling 44.9 mmbf. The 11 sales sold totaled \$7.8 million for an average of
43 \$198 per mbf.

44 Ms. Eagle then presented a log market trend graph depicting delivered log prices for Douglas Fir
45 #2 saw and Western Hemlock #2 saw from January 2018 to July 2019. Ms. Eagle noted higher
46 prices at the start of 2018, a significant drop last fall, followed by continually flat prices. She

1 added that the export market is down, with impacts from the Chinese export tariffs. Greater
2 supply in the domestic market has led to a decrease in timber prices.

3 Ms. Eagle asked for questions.

4 Commissioner Peach asked if the change in prices last month had to do with thinning.

5 Ms. Eagle confirmed that is correct for July sales, along with a forest health sale removing
6 tussock moth. Ms. Eagle added that the volume was lower than typical for July, and reminded
7 the Board that the prices reported are stumpage values.

8 Commissioner Peach asked for clarification that Whipper Snapper had multiple sorts, one of
9 which sold for a negative value.

10 Ms. Eagle confirmed that Whipper Snapper Sorts did have multiple sorts and the negative value
11 sort was likely a pulp or hardwood utility sort. Ms. Eagle noted that occasionally the amount paid
12 for removal will be greater than the actual value of the sort, and often not all of that wood will be
13 removed. Ms. Eagle added that she would be willing to share the final audit for Whipper Snapper
14 Sorts.

15 Commissioner Peach asked for further questions.

16 There were none.

17 Ms. Eagle then presented proposed sales to be offered in October 2019 to the Board. Ms. Eagle
18 noted that the draft timber sale package previously given to the Board did not have prices. The
19 final proposal packet being presented has appraisal prices that were determined the week prior.

20 Ms. Eagle asked for approval of the proposed sales as presented.

21 Commissioner Peach delayed action for an additional public comment.

22 Mr. Turner acknowledged the importance of the timber sale program to the purchasing
23 community. Mr. Turner acknowledged Ms. Eagle's work at tracking and accounting no bid sales,
24 along with her work at improving the appraisal system to capture the falling market.

25 Commissioner Peach asked for action on the proposed sales as presented.

26

27

28 Ms. Eagle asked for approval of the proposed sales as presented.

29

30 MOTION: Commissioner Franz moved to approve the proposed sales.

31

32 SECOND: Dean Wright seconded the motion.

33

34 ACTION: The motion carried unanimously.

1
2 At this time Commissioner Franz rejoined the meeting.

3
4 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

5
6 Bill Turner, Sierra Pacific Industry
7 Washington State Timber Procurement Manager

8
9 Mr. Turner shared that Ms. Eagle was doing good work in sharing sales with the timber industry.
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13 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

14 No Comments

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16 **LAND TRANSACTION (Action Items)**

17 **College Place 80, No. ; Resolution 1546**

18 Robin Hamill, Recreation, and Transactions Division, Washington State Department of Natural
19 Resources

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22 This transfer is an isolated 80 acre tract of agricultural land in Walla Walla County located
23 adjacent to the City of College Place's waste water treatment facility.
24

25 The City of College Place desires the parcel so that it can expand its treatment facility as
26 required under its new State Waste Discharge Permit issued by the Department of
27 Ecology. DNR's access to the property is restricted and all water rights associated with the
28 parcel have been transfer to the water bank.

29
30 The appraised value is \$256,000, which the City has agreed to pay along with the administrative
31 costs. All proceeds from this transaction will be placed in the Real Property Replacement
32 Account.
33

34
35 Ms. Hamill concluded by asking the Board to approve Resolution 1546.

36
37 MOTION: Dean Wright moved to approve Resolution 1546.

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39 SECOND: Commissioner Peach seconded the motion.

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41 ACTION: The motion carried unanimously.
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43 **Crowberry Bog, No. ; Resolution 1547**

44 Robin Hamill, Recreation, and Transactions Division
45

1 Crowberry Bog is located on the Olympic Peninsula in Jefferson County. The property is
2 about 20 miles southeast of Forks and 1.5 miles from Highway 101, about a half of mile from the
3 Hoh River.

4 Crowberry Bog and the adjacent Hoh Bog, were included in the boundary of the Crowberry Bog
5 Natural Area Preserve (NAP) in January 2016. Later in 2016, DNR received grant funding
6 through the Washington Wildlife and Recreation Program (WWRP) to acquire and place all the
7 property within the Crowberry Bog NAP Boundary into Natural Area Preserve status.
8

9 The state trust portion of the Crowberry Bog natural area consists of 236 acres, 220 acres of
10 Common School Trust and 16 acres of Capitol Building Trust. The total appraised value of the
11 trust land is \$316,000.
12

13 The WWRP grant has approved of the value and has paid the administrative costs for the
14 project. All proceeds from this transaction will be placed in the Real Property Replacement
15 Account.
16

17 DNR, through a Commissioner's Order, will transfer the funds from trust status to natural area
18 preserve status.
19
20

21 Ms. Hamill recommended approval of Resolution 1547.
22

23 MOTION: Commissioner Peach moved to approve Resolution 1547.
24

25 SECOND: Dan Brown seconded the motion.
26

27 ACTION: The motion carried unanimously.
28
29

30 PUBLIC COMMENTS FOR HARBOR LINE ADJUSTMENT

31 Norm Golup, Executive Director for the FOSS Waterway Development Authority
32
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34 Mr. Golup shared his appreciation for the work that is being done on the Thea Foss Waterway.
35

36 Harbor Line Adjustment

37 Thea Foss Waterway

38 Michal Rechner, Division Manager, Aquatics Resource Division, Washington State Department
39 of Natural Resources
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41

42 Mr. Rechner gave a short reminder that the Board of Natural Resources also serves as the state
43 Harbor Line Commission. The role of the harbor line commission, as created in Article 15 of the
44 state constitution, is to locate and establish harbor lines in the navigable waters of all harbors,
45 estuaries, bays and inlets of Washington. Additional authorities are found in Chapter 79.115
46 RCW and WAC 332-30-109.
47

1 Since statehood, 33 Harbor Areas have been created across the state.

2
3 Article 15 of the WA State Constitution further states that harbor areas are to be located within
4 or in front of the corporate limits of any city, or within one mile of those limits.

5 Harbor areas are defined by two lines: the inner harbor line and the outer harbor line. The area
6 between these two lines is the harbor area and only includes state-owned aquatic lands. The
7 distance between inner and outer harbor lines must be no less than 50 feet or greater than 2000
8 feet.

9
10 Harbor lines can be changed, relocated or reestablished by the commission.

11
12 The Constitution also declares that the state shall never give, sell or lease to private corporations,
13 associations or individuals any rights beyond harbor lines and that harbor areas shall be forever
14 reserved for landings, wharves, streets and other conveniences of navigation and commerce.

15
16 Mr. Rechner stated that he wants to discuss the request made by parties to move the harbor lines
17 in Thea Foss Waterway to provide additional harbor area space for moorage by marinas.
18 Specifically, they have requested the outer harbor line on the west side of the waterway be
19 moved waterward 20 feet, and the outer harbor line on the east side of the waterway be moved
20 waterward 10 feet. Together, these changes effectively decrease the distance between the two
21 outer harbor lines by 30 feet.

22
23 During this time The Honorable Chris Reykdal joined the meeting.

24
25 An update on the harbor line review process; DNR staff conducted a public hearing in Tacoma
26 on August 6th 2019; we received comments from three parties, all in support of the proposed
27 relocation.

28
29 DNR initiated SEPA review on August 26th 2019.

30
31 Mr. Rechner was at the meeting to brief the Members of the Board on the proposed relocation
32 request. SEPA is expected to end in mid-September and depending upon the SEPA outcome,
33 Staff will bring a final recommendation back to the Harbor Line Commission in early October
34 for action.

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36
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38 **PUBLIC COMMENTS FOR CHAIR REPORT**

39
40 Rod Fleck, Attorney City of Forks

41
42 Mr. Fleck shared his concerns regarding the economic impacts to the junior tax districts.

43
44 Peter Goldman, Director, Washington Forest Law Center

1 Mr. Goldman commented that he thinks the staff at DNR are doing vital work for the Marbled
2 Murrelet long term conservation. Mr. Goldman recommends that the timber community
3 stakeholders help in implementing this long term conservation strategy.
4

5 Matt Comisky, Washington Manager, American Forest Resource Council
6

7 Mr. Comisky shared his concerns regarding the long term conservation strategy in regards to the
8 Marbled Murrelet.
9

10 Heath Heikkila, American Forest Resource Council
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12 Mr. Heikkila shared his concerns regarding the long term conservation strategy in regards to the
13 Marbled Murrelet.
14

15 Miguel Pérez-Gibson, State Forest Policy Advisor, Washington Environmental Council
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17 Mr. Pérez-Gibson shared his concerns regarding the long term conservation strategy in regards to
18 the Marbled Murrelet and the Trust Land Performance Assessment.
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22 **CHAIR REPORT**

23

24 **Trust Land Performance Assessment Project Update**

25 Angus Brodie, Deputy Supervisor for State Uplands, Washington State Department of Natural
26 Resources
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28 David Bergvall, Senior Policy and Project Advisor, Washington State Department of Natural
29 Resources
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31 Mr. Brodie gave an overview of the topic that the Board will be hearing, which included
32 conservation strategy and sustainable harvest. Budget planning update after the revenue forecast
33 is completed.
34

35 Mr. Brodie gave an overview of the Legislative initiatives that relate to state lands. Also, the plan
36 to give updates regarding policies.
37
38

39 Mr. Bergvall shared that the focus of the Trust Land Performance Assessment presentation was
40 background information on the funding models, fund balances, revenues and expenditures in and
41 out of the management funds.
42

43 The secondary component was a brief review of the commercial lands program history. There
44 was limited board discussion around both areas and limited direction given to staff on how best
45 to proceed. The Commissioner of Public Lands recommended board members bring back
46 information on trust land revenue and how it is utilized at their associated levels.
47

1 At this time the meeting adjourned for a thirty minute lunch break.

2
3
4 **Marbled Murrelet Long-term Conservation Strategy and Sustainable Harvest Calculation**

5 Angus Brodie, Deputy Supervisor for State Uplands, Washington State Department of Natural
6 Resources

7 Andrew Hayes, Division Manager, Forest Resources, Washington State Department of Natural
8 Resources

9
10 Mr. Brodie and Mr. Hayes presented the fall 2019 Board of Natural Resources schedule, which
11 gave an outline of the next few months and what the Board Members could expect. Mr. Brodie
12 shared what it means to have the Marbled Murrelet on the Endangered Species Act, what is a
13 habitat conservation plan under the Endangered Species Act and how does that become
14 compliant. Also, what are the financial impacts of this decision?

15
16 Mr. Hayes stated that he wants to be sure the Board Members have all the correct information so
17 they can this decision confidently. Mr. Hayes gave a status of the Marbled Murrelet on the
18 Endangered Species Act. Because it's threaten in the USA, DNR needs to comply with the Land
19 Owner Act. There is potentially Marbled Murrelets habitat on DNR land which makes the
20 Department responsible like any other land owner to comply with the Native Species Act.

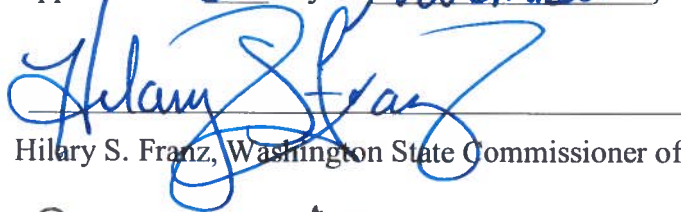
21
22 Mr. Hayes explained the life cycle of the Marbled Murrelet. It is estimated, there's a thirty
23 percent loss of higher quality habitat on federal lands in Washington mostly from temper harvest.
24 That's from Department Fish and Wildlife. Mr. Hayes stated, that federal lands are key to
25 recovery but there are no federal lands in southwest Washington and aren't designed to provide
26 demographic support to state lands. He expects for some of this that support for those
27 populations to be happening on state lines so that in particular, Southwest Washington, but
28 generally in those other areas in the peninsula as well, that significant proximity of those high
29 quality habitats to federal lands in the significance those lands to the conservation of the burden
30 and to the populations of the long term.

31
32 In conclusion there are many points of view that the Board will need to consider for the long
33 term plan.

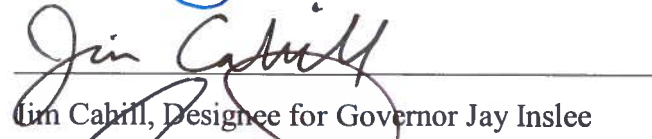
34
35 The Board will have a special meeting in the month of November as well as an extended meeting
36 in December to continue the discussion.

37
38
39 Meeting adjourned at 2:00 PM.

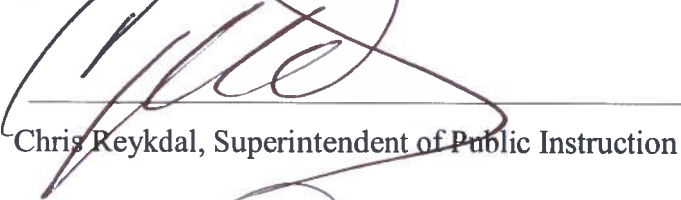
Approved this 5th day of November, 2019



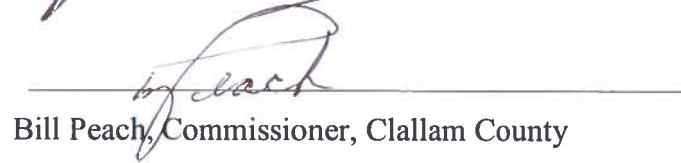
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Attest:

Theresa McGuire, Board Coordinator