
Minutes

Board of Natural Resources Meeting

September 4, 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

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

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

BOARD MEMBERS ABSENT

JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor

1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:05 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. Kellogg gave 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 3, 2018 regular meeting.

13
14 MOTION: Commissioner Peach moved to approve the July 3, 2018 minutes.

15
16 SECOND: Superintendent Reykdal seconded the motion.

17
18 ACTION: The motion carried unanimously.
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1 Chair Franz called for approval of the minutes for the August 6, 2018 special meeting.

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3 MOTION: Director Brown moved to approve the August 6, 2018 minutes.

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5 SECOND: Dean Wright seconded the motion.

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7 ACTION: The motion carried unanimously.

8
9 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

10 Tom Lannen, Skamania County Commissioner, thanked the Department for their fire service,
11 specifically Jim Shank and Tom North. He then spoke about encumbered lands and the Good
12 Neighbor Agreement (GNA). He asked that the Board continue with budget planning for the
13 next biennium, and include funds to support encumbered land payments to Wahkiakum,
14 Skamania and Pacific counties. He also asked that DNR move forward on GNA projects with the
15 USFS, and work to develop a means to provide revenue stream to the counties.

16
17 Russ Pfeiffer-Hoyt, WSSDA, Chair TLAC, acknowledged DNR's hard work of lessening the
18 impact of wildfire, noting that forest health issues continue and need to be addressed. He used
19 the forest near the town of Winthrop as an example of an overstocked forest.

20
21 Jim Stouffer, Sequim School Board member of WSSDA's Legislative Committee and TLAC,
22 updated the Board members on his involvement with the encumbered lands project, adding his
23 appreciation for the conversations and dialogues taking place at the Solutions Table.

24
25 Rod Fleck, City Attorney for Forks, spoke about the Boards role to provide guidance to the
26 Department. He mentioned the draft report per HB 2285, and the purpose of the report and the
27 Solutions Table. He then spoke about areas of impact in the Marbled Murrelet RDEIS, and
28 reminded the Board Members that their decision would affect the small communities.

29
30 Heath Heikkila, AFRC, thanked Commissioner Franz for DNR's support this fire season, and
31 spoke about the importance of forest health and how that could add to the improvement in the air
32 quality. He then spoke about the Virginia Ridge timber sale, and thanked staff for the work they
33 did to show evidence of overstocked forests. He noted that it is not a sustainable model to have a
34 field trip every time there are forest-thinning sales.

35
36 Chair Franz spoke about the Virginia Ridge timber sale, the recent community meeting, and the
37 engagement of the community. She shared the need to educate people and build support across
38 the State.

39
40 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

41 Miguel Perez-Gibson, representing WEC, spoke about timber sales moving in the direction of
42 creating more value, which is one of the topics discussed at the Solutions Table. Mr. Perez-
43 Gibson congratulated the Department on recent timber sales relating to forest health
44 improvement.

1 **TIMBER SALES (Action Item)**

2 **Proposed Timber Sales for October 2018 | 3 handouts, including the presentation**

3 Tom Heller, Product Sales & Leasing Division

4
5 Mr. Heller shared the auction results for July 2018, stating that the Department offered six sales
6 totaling 19.0 mmbf. Of those, five sales sold totaling \$4.1 million for an average of \$265 per mbf
7 with 2.1 bidders per sale on average.

8
9 Mr. Heller noted that one sale (Sekiu Sunshine) did not sell, and will be combined with another
10 sale and offered in the near future. Mr. Heller also noted that the July bid prices were 40% over
11 appraised value.

12
13 Mr. Heller then presented the August 2018 auction results to the Board, stating that the
14 Department offered nine sales totaling 20.8 mmbf. All sales sold, totaling \$8.8 million for an
15 average of \$429 per mbf with 2.1 bidders per sale on average. Mr. Heller also noted August bid
16 prices were 19% over appraised value.

17
18 Mr. Heller asked the Board for questions regarding the recent auction results.

19
20 Commissioner Peach mentioned the reduction in both overbids and the number of bidders in
21 relation to past months, and asked if these factors are an indication of a softening market. Mr.
22 Heller responded to the affirmative.

23
24 Commissioner Peach also asked if there are any planned changes to the sale delivery plan,
25 specifically for the fourth quarter. Mr. Heller replied that the Department still plans to bring
26 forward more volume in the 2nd and 3rd quarters, and that although the market is changing and
27 prices are trending down, the softening market should bottom out with prices coming back up by
28 the 4th quarter.

29
30 Commissioner Peach then asked if the DNR could track the amount of logs exported to other
31 states, noting that a fair amount of logs leave the state. Mr. Heller responded that the Department
32 does track this to an extent, but the State Department of Revenue tracks it all. Mr. Heller also
33 noted that the amount of logs leaving the state has likely declined as a number of purchasers who
34 used to ship logs to other states now have mills in Washington State. Mr. Heller asked if
35 Commissioner Peach would like the Department to collect this data, but Commissioner Peach
36 declined.

37
38 Mr. Heller then presented proposed sales for the October 2018 auction to the Board.

39
40 Commissioner Franz asked the Board for questions. Hearing none she called for a motion to
41 approve the proposed timber sales as presented.

42
43 MOTION: Commissioner Peach moved to approve the proposed sales.

44
45 SECOND: Superintendent Reykdal seconded the motion.

46
47 ACTION: The motion carried unanimously.

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

2 Tom Nelson, Western Timberlands Manager for Sierra Pacific Industries (SPI), representing
3 Blanchard Advisory Committee, expressed the committee's support on the Blanchard-Pearson
4 and Blanchard-Spence transactions.
5

6 **LAND TRANSACTION (Action Items)**

7 **Blanchard – Pearson Purchase, No. 08-097256; Resolution 1524**

8 **Blanchard – Spence Purchase, No. 08-097257; Resolution 1525**

9 Bob Winslow, Conservation, Recreation, and Transactions Division
10

11 Mr. Winslow shared that the Blanchard-Pearson acquisition funds come from a legislative
12 appropriation of \$2 million used by DNR to acquire replacement State Forest Land (SFL) Trust
13 property in Skagit County in the 2017-2019 biennium. The replacement property is a portion of
14 the 1,600 "core" of the Blanchard State Forest located in Skagit County. DNR staff focused on
15 acquiring replacement SFL trust parcels in the Tier 1 area, which is within the Burlington-Edison
16 school district, in accordance with the 2008 Blanchard Strategies MOU and the current direction
17 to DNR staff from the Blanchard Advisory Committee.
18

19 Mr. Winslow described the Blanchard-Pearson property as 37.37 acres in size and located on the
20 east side of Blanchard State Forest, fronting onto Barrell Springs County Road. This property
21 serves as the main road entrance into the Blanchard State Forest for recreation and for timber and
22 rock haul. The property has site class 2 forest soils, hardwood stocking 10-15 years in age, and
23 can be harvested using ground lead equipment. Current zoning permits the construction of up to
24 eight home sites with clustering. The anticipated benefits associated with this purchase are
25 future timber revenue to the State Forest Land (SFL) Trust, and preservation of the timber haul
26 route for thousands of acres of SFL trust property located within this forest. The negotiated
27 purchase price is \$415,000.
28

29 Mr. Winslow then went on to describe the Blanchard-Spence property as 38.99 acres in size and
30 located on the east side of Blanchard State Forest, fronting onto Barrell Springs County Road.
31 This property is located immediately south of the Blanchard-Pearson property, and immediately
32 east of the Blanchard Lower Trailhead and parking area managed by DNR. The property has site
33 class 2 forest soils, hardwood stocking primarily 25-30 years in age, and can be harvested using
34 ground lead equipment. He stated that current zoning permits the construction of up to four home
35 sites with clustering. The anticipated benefits associated with this purchase are future timber
36 revenue to the State Forest Land (SFL) Trust, and a reduced risk of noise complaints from
37 neighbors of DNR trust land associated with public use of this forest.
38

39 He added that the property has an existing mobile home, associated outbuildings, and a well that
40 DNR will remove from the property as part of restoring and replanting the home site into a forest
41 plantation. The Seller is providing DNR with \$25,000 at closing, which DNR will use for the
42 cleanup and reforestation expenses. The negotiated purchase price is \$313,000.
43

44 Mr. Winslow recommended approval of Resolutions 1524 and 1525.
45
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47

1 Chair Franz called for separate motions, first motion to approve Resolution 1524.

2
3 MOTION: Commissioner Peach moved to approve Resolution 1524.

4
5 SECOND: Dean Wright seconded the motion.

6
7 ACTION: The motion carried unanimously.

8
9 Chair Franz call for a motion to approve Resolution 1525.

10
11 MOTION: Commissioner Peach moved to approve Resolution 1525.

12
13 SECOND: Director Brown seconded the motion.

14
15 ACTION: The motion carried unanimously.

16
17 **PUBLIC COMMENTS FOR AQUATIC LAND TRANSACTION ACTION ITEMS**

18 David Vorse, Public Works Director, City Of Castle Rock, spoke in the support of the upcoming
19 transaction. He noted the challenges, and expressed the City's appreciation to the Department for
20 seeing the transaction through.

21
22 **AQUATIC LAND TRANSACTION (Action Items)**

23 **City of Castle Rock Exchange, No. 86-087302; Resolution #1523**

24 Robin Hammill, Aquatic Resources Division

25
26 Ms. Hammill presented the proposed exchange to the Board. She described the exchange as
27 approximately 33 acres of land to the City of Castle Rock in exchange for approximately 30
28 acres of bedlands and shorelands of the Cowlitz River and \$90,000 in funds placed in the Real
29 Property Replacement Account. This transaction will transfer ownership of the current bed and
30 shorelands of the Cowlitz River as it flows through the City of Castle Rock to the State of
31 Washington. In return, the City of Castle Rock will own the adjacent uplands for future public
32 use and access to the adjacent Cowlitz River.

33
34 Chair Franz informed the Board that DNR manages 2.6 million acres of aquatic lands, which
35 includes revenue generating aquatic leases, and that this revenue is for public access and
36 recreation, and salmon habitat and restoration.

37
38 Commissioner Peach asked if the tribes expressed any interest. Ms. Hammill mentioned that the
39 Cowlitz Tribe expressed interested during the SEPA process. The Department met with the Tribe
40 during that time.

41
42 Ms. Hammill concluded the presentation by asking the Board to approve Resolution 1523.

43
44 Chair Franz called for a motion on Resolution 1523.

1 MOTION: Dean Wright moved to approve Resolution 1523.

2
3 SECOND: Commissioner Peach seconded the motion.

4
5 ACTION: The motion carried unanimously.

6
7 **PUBLIC COMMENTS FOR CHAIR REPORT**

8
9 Bill Turner, Division Timber Manager, SPI, Burlington, WA, Mr. Turner spoke about the release
10 of the RDEIS, and stated that Appendix P of the RDEIS is not complete as it does not have a
11 current financial analysis that includes an analysis on alternatives G and F.

12
13 Rod Fleck, City of Forks Attorney, spoke about the RDEIS and asked how it comports with the
14 NEPA process. He noted the lack of a current financial analysis and questioned the actual release
15 of 38,000 acres due to metering and mitigation. He suggested that the Board ask for clarification.
16 Mr. Fleck also recommended an extension on the RDEIS public comment period, due to the later
17 release date of the financial analysis.

18
19 Maria Ruth, Black Hills Audubon, thanked the Department for the work on the MM LTCS. She
20 shared concerns that the significant contribution language does not appear in the Board
21 presentation. She asked if it is "significant" for the DNR in terms of budget and effort, or
22 marbled murrelet recovery. She suggested that the absence of that language downplays DNR's
23 role. She then noted the decline in the species is averaging out to a loss of 284 murrelets every
24 year.

25
26 Matt Comisky, Washington Manager for AFRC, spoke about the RDEIS for the MM LTCS. He
27 mentioned the letters AFRC and WFLC have sent overtime. Mr. Comisky specifically requested
28 that the Board ask DNR to provide responses to the letters received from WFLC and AFRC,
29 particularly letters sent June 1, and 27, 2018. He mentioned the request asks for clarity on
30 Alternative F in that correspondence. He now asks that they include clarity on Alternative G in
31 that response.

32
33 Miguel Perez-Gibson, representing WEC, spoke about the MM LTCS and recovery of the
34 species. He reminded the Board that the 1997 Habitat Conservation Plan (HCP) is an all species
35 HCP and includes coverage for species listed in the future. He provided background on the delay
36 in developing the science for conservation of marbled murrelet habitat. He further recited the
37 elements characterized as expected outcomes in the HCP interim strategy.

38
39 Heath Heikkila, AFRC, spoke about the response to letters AFRC is waiting for, and offered
40 clarification on the content of the letters. He also suggested that the Department postpone the
41 public meetings scheduled to start in October due to lack of an updated financial analysis.

42
43 Chair Franz spoke about the letters from WFLC and AFRC and clarified that DNR informed
44 both entities that the delay in response was due to the workload on the application for HCP and
45 the RDEIS, and the Agency is working on a response.

1 Commissioner Peach asked if it was possible to complete that work before the public meetings.
2 Chair Franz said that she would check to see if it was possible.

3
4 **CHAIR REPORT**

5 **Marbled Murrelet Long-term Conservation Strategy Update**

6 Andrew Hayes, Forest Resources Division Manager

7
8 Mr. Hayes presented an update on the status of the MM LTCS. He reminded the Board of the
9 purpose of the process. He then reminded the Board that two of the main goals of the strategy are
10 to meet the requirements of the Endangered Species Act and the department's trust duties. In
11 order to do that, DNR has submitted to USFWS an amendment to the HCP that reflects the
12 Board's direction for a preferred alternative. DNR and USFWS are serving as dual leads on the
13 environmental review process because NEPA and SEPA are running concurrently.

14
15 Mr. Hayes shared that the official release of the revised draft environmental impact document
16 (RDEIS) is September 7, 2018, when the RDEIS is published in the federal register. He stated
17 that both DNR and USFWS are opening a 60-day comment period that will run until November
18 6, 2018. He shared the schedule for the public meetings in October. He then reviewed the
19 timeline, showing that the final RDEIS will be published in June 2019.

20
21 Mr. Hayes reminded the Board about the remaining steps in the approval process once the
22 comment period has ended. It includes potential discussions on and changes to the HCP
23 amendment, the release of a biological opinion by USFWS, completion of Section 10 ESA
24 findings, a NEPA record of decision, the issuance of an incidental take permit, and a Board
25 resolution.

26
27 He then noted that the financial analysis is required for the Board to execute its fiduciary duty.
28 The Board will have that information before making the final decision. He went on to note the he
29 is having staff reprioritize work to attempt to get the information to the BNR by mid-October,
30 but could not guarantee that outcome.

31
32 Superintendent Reykdal asked about the choice the Board is making in September of 2019, and
33 why there are still the same number of alternatives to consider after narrowing down to a
34 preferred alternative last year. Mr. Hayes replied that the decision to analyze all the original six
35 alternatives in the RDEIS was a result of public comment and discussions with USFWS.

36
37 Superintendent Reykdal then asked if the Board would narrow the options after November 2018.
38 Mr. Hayes explained that is part of the process of the Responsible Official (RO). He noted that
39 Todd Welker, SE Region Manager, is the RO, and that according to the law, he would determine
40 the sufficiency of the EIS, including the range of alternatives considered in the analysis.

41
42 Director Brown confirmed that the RO would only narrow the range of alternatives if he believed
43 it is necessary, and asked when this would occur. Mr. Hayes stated that the final opportunity to
44 narrow alternatives would be during the development of the final EIS and after public comment.
45 He added that the Board could express their opinion, but that this was not strictly a Board
46 decision.

1 Commissioner Peach asked about the availability of a data set that shows impacts to the trusts
2 since it is unlikely the updated financial analysis will be unavailable on Oct 9. It would help to
3 explain what is occurring with alternative G and the OESF. Mr. Hayes indicated that data in the
4 Department's possession was available to the Board and the public.
5

6 Meeting adjourned at 10:42 AM.

Approved this 2nd day of October, 2018



Hilary S. Franz, Washington State Commissioner of Public Lands

Absent

JT Austin, Designee for Governor Jay Inslee



Chris Reykdal, Superintendent of Public Instruction



Bill Peach, Commissioner, Clallam County

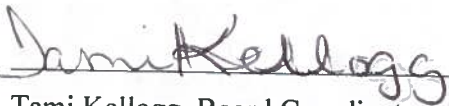


André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

Absent

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

Attest:



Tami Kellogg, Board Coordinator

