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# Minutes

## Board of Natural Resources Meeting

January 7, 2020  
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

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington - *via Conference Call*

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

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1 **CALL TO ORDER**

2 Chair Franz called the meeting to order at 9:08 AM.

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

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7 **SAFETY REVIEW**

8 A safety overview and instruction on evacuating the building in case of an emergency was  
9 provided.

10  
11 **APPROVAL OF MINUTES**

12 Chair Franz called for approval of the minutes from the December 3, 2019 Regular Board of  
13 Natural Resources Meeting.

14  
15 MOTION: Superintendent Reykdal moved to approve the minutes.

16  
17 SECOND: Commissioner Peach seconded the motion.

18  
19 ACTION: The motion carried unanimously.

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21  
22  
23

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

2  
3 **Margaret James, resident of Goldbar, WA**, spoke about the Middle May timber sale and her  
4 opposition of the harvest. She asked that, if the harvest were to go through, the legacy stand of  
5 the middle may block should be preserved.

6  
7 **Susan Cross, resident of Index, WA**, expressed her dismay at the extent of logging in the  
8 Skykomish Valley. She urged the Board to not approve the proposed Middle May timber sale.

9  
10 **Don James, resident of Goldbar, WA**, stated that his property is adjacent to Wallace Falls State  
11 Park. He spoke about the Middle May timber sale block and how it would be a good place to  
12 start the preservation of species and to enjoy the natural resources.

13  
14 **Neal McWee, resident of Goldbar, WA**, spoke about the Middle May timber sale and the  
15 Department’s fiduciary responsibilities to future generations. He stated that the towns of Goldbar  
16 and Index are concerned about revenue generated by tourism, if the harvest were to go forward.

17  
18 **Brian Nelson, resident of Goldbar, WA**, expressed his opposition of the Middle May timber  
19 sale.

20  
21 **Chuck Lie, resident of Goldbar, WA**, stated that he understands the need for timber, but is  
22 concerned about the Middle May timber sale. He shared that the area would be better as an  
23 economic resource to the Skykomish Valley.

24  
25 **Marisa Rathbone, Executive Director for WSDDA. Ms. Rathbone** introduced herself as the  
26 new executive director of WSDAA, and thanked the Board.

27  
28 **Russ Pfeiffer-Hoyt, Chair of WSDDA Trust Lands Advisory Committee**, noted the amount  
29 of work that went in to the SHC, and thanked the Board and DNR staff for their diligence.

30  
31 **Jim Stoffer, Sequim School District**, thanked the Board for their work, and noted the handouts  
32 provided for the Board.

33  
34 **Matt Comisky, Washington Manager, AFRC**, spoke about protecting the rulemaking to help  
35 rural schools during the 2020 legislative session. He looks forward to many discussions about  
36 carbon, and the continued work on common issues. He also thanked the product sales staff for  
37 their efforts.

38  
39 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

40 **No comments**

41  
42 **TIMBER SALES (Action Item)**

43 **Proposed Timber Sales for February 2020 | 3 handouts, including the presentation**  
44 **Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division**

45

1 The results of the December 2019 auctions were presented to the Board by Ms. Eagle. The  
2 Department offered 9 sales totaling 56.1 mmbf. Of those, 7 sales sold totaling \$16.9 million for  
3 an average of \$387 per mbf with 3.0 bidders per sale on average.  
4

5 Ms. Eagle asked for questions. There were none.  
6

7 Ms. Eagle then presented a graph showing planned, offered, and sold volume for each quarter of  
8 fiscal year 20. Ms. Eagle noted where unsold fiscal year 20 sales will be reoffered.  
9

10 Commissioner Franz asked for questions. There were none.  
11

12 Ms. Eagle shared a graph presenting planned, offered, and sold volume remaining from fiscal  
13 year 19. She then presented graphs showing the trend in delivered log prices over the last 2 years  
14 for Douglas Fir #2 saw, Western Hemlock #2 saw, Alder #3 saw, and Red Cedar camp run. Ms.  
15 Eagle noted that the prices have been flat for the last year and are down from the year prior.  
16

17 Ms. Eagle then presented proposed sales to be offered in February 2020 to the Board.  
18

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

21 Superintendent Reykdal asked to see slide 13, and asked for a similar slide in the future showing  
22 total volume by decade with a projection of what needs to be done to avoid arrearage.  
23

24 Ms. Eagle offered to provide that data, and shared that having an approved harvest level to set  
25 targets helps the Department's planning process in looking at what has been done and what  
26 volume remains.  
27

28 Commissioner Franz commented that falling short at the end of the last fiscal year was primarily  
29 due to no-bids, and that it would be useful to regularly see that remaining volume.  
30

31 Commissioner Peach asked if species mix accounted for variance sale values, and if the average  
32 price was presented.  
33

34 Ms. Eagle referred to the results slide, and shared that the year to date average price is \$292.91  
35 per mbf, noting that December prices were higher due to desirable wood being offered.  
36

37 Commissioner Peach asked if the variance in price from December is attributed to species mix.  
38

39 Ms. Eagle confirmed, but added that the quality and grade mix of the wood offered also  
40 influences prices.  
41

42 Director Brown asked how the Department balances meeting volume targets with market trends.  
43

44 Ms. Eagle explained that the Department offers what volume is needed when prices are stable,  
45 noting it is more of a struggle to determine what to offer when prices fall. Ms. Eagle shared that  
46 fiscal year 21 sales are currently being worked on in the field, while fiscal year 22 and later sales  
47 are being planned; noting that the timber sale timeline limits flexibility.

1  
2 Commissioner Peach asked if the composition of #2 saw logs were indicators of the quality of  
3 the wood offered, and if the diameter of the log changes with the price.  
4  
5 Ms. Eagle explained that prices are also dependent on what products mills are looking for, and  
6 that quality is a result of growing conditions in the stand itself.  
7  
8 Commissioner Peach asked if the market is expected to remain flat.  
9  
10 Ms. Eagle confirmed that prices are expected to remain flat based on market reports.  
11  
12 Commissioner Franz asked the Board for motion on the proposed sales as presented.  
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14 MOTION: Commissioner Peach moved to approve the proposed sales.  
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16 SECOND: Superintendent Reykdal seconded the motion.  
17  
18 ACTION: The motion carried unanimously.  
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21 Meeting adjourned at 9:46 AM.

Approved this 7<sup>th</sup> day of July, 2020

DocuSigned by:  
*Hilary S. Franz*  
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Hilary S. Franz, Washington State Commissioner of Public Lands

Approved via Webinar

Jim Cahill, Designee for Governor Jay Inslee

Absent

Chris Reykdal, Superintendent of Public Instruction

Approved via Webinar

Bill Peach, Commissioner, Clallam County

Approved via Webinar

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

Approved via Webinar

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

Attest:

*Tami Kellogg*

Tami Kellogg, Board Coordinator