
Minutes

Board of Natural Resources Meeting

February 2, 2016
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Peter Goldmark, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County– *via conference call*

The Honorable Randy Dorn, Superintendent of Public Instruction

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

Thomas H. DeLuca, 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 Goldmark called the meeting to order at 9:05 AM.

3
4 All Board members introduced themselves. Chair Goldmark noted there was a quorum for the
5 meeting with Commissioner Peach participating via phone.

6 7 SAFETY REVIEW

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

10 11 APPROVAL OF MINUTES

12 Chair Goldmark called for approval of the minutes for the January 5, 2016 Regular Board of
13 Natural Resources Meeting.

14
15 MOTION: Director DeLuca moved to approve the minutes.

16
17 SECOND: Dean Mittelhammer seconded the motion.

18
19 ACTION: The motion was approved unanimously.

20 21 PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

22 Lee Levanen, citizen, provided a map of the BPA I-5 reinforcement to the Board. Mr. Levanen
23 spoke about his concerns and asked the Board to look into the boundaries.

1 David Gelle, citizen, spoke about the wildfire presentation presented to the Board last month.
2 Mr. Gelle urged the Department to do more to prevent wildfires in Washington State.

3
4 Kevin Schmelzlen, with the Marbled Murrelet Survival Project, spoke about the Washington
5 Wildlife Recreational Program (WWRP) and asked the Board to consider other ways to raise
6 revenue for the trust beneficiaries.

7
8 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

9 Commissioner Ray Campbell, Okanogan County, spoke in support of the timber sales in
10 Okanogan County.

11
12 Wyatt Golding, with the Washington Forest Law Center (WFLC), spoke about the West Fork
13 Salvage timber sale and expressed his concerns around salvage sales themselves. Mr. Golding
14 asked that DNR be precautionary with these sales.

15
16 Jen Watkins, representing Conservation Northwest, spoke about her concerns regarding the West
17 Fork Salvage timber sale. Ms. Watkins stated that we should be acting in stands before the
18 disturbances occur. She added that they want to work with DNR to create a more resilient
19 landscape.

20
21 Peter Goldman, Director of the WFLC, representing Conservation Northwest, spoke about his
22 concerns about the West Fork Salvage timber sale and urged the Board to deny the sale. Mr.
23 Goldman also urged the Board to ask DNR to explain to the public why they are doing the sales.

24
25 Don Baker, citizen, encouraged the Board to approve the salvage timber sales. Mr. Baker noted
26 that any revenue received would be a benefit to the trust.

27
28 Kevin Schmelzlen, with the Marbled Murrelet Survival Project, spoke about the Board's
29 fiduciary responsibility and the short-term economics. Mr. Schelzlen urged the Board to do extra
30 analysis on the sales.

31
32 **TIMBER SALES (Action Item)**

33 **Proposed Timber Sales for March 2016, 3 handouts, including the presentation**

34 Darin Cramer & Tom Shay, Product Sales & Leasing Division

35
36 Mr. Cramer discussed the upcoming timber sales. He stated that roughly 80% of the approximate
37 50,000 acres that were burned in 2015 will be left untouched. The following conditions apply to
38 the approximate 15% of 2015 burned area that will be salvaged; salvage operations will be
39 restricted in March and April, some planting mixed with natural regeneration will occur, current
40 leave tree prescriptions will require the largest trees to be left on site, the majority of salvage
41 areas are below 30% slope, and contracts limit disturbance from skid trails and equipment. Mr.
42 Cramer added that potential issues and salvage operations depend greatly on fire severity.

43
44 Chair Goldmark requested the Department present the prior month's timber auction results first
45 as per normal.

1 The results of the January 2016 auction were presented to the Board by Mr. Shay. The
2 Department offered 9 sales totaling 53.2 mmbf in January. Of those sales, 8 sales sold, totaling
3 \$13.2 million for an average of \$277 per mbf.
4

5 Mr. Shay noted that one sale did not sell due to road costs. This sale will be reappraised and
6 offered again in March. Mr. Shay also noted the high number of bidders per sale (3.21 per sale)
7 was good in a declining market with soft prices; one sale had 7 bidders. Mr. Shay added that it is
8 not legal for the Department to sell below the minimum appraised values as called out during the
9 public opportunity for comments on proposed timber sales.

10
11 Mr. Shay then presented the currently proposed sales, at which time he called attention to the
12 volume and value of the proposed fire salvage sales which accounted for 43% of the proposed
13 volume, with an appraised value of \$5.2 million.
14

15 Dean Mittelhammer asked about the remaining burned acreage if it is not to be salvaged.
16

17 Mr. Cramer answered that there are no plans to salvage and the hope is that natural regeneration
18 will take place. If there is money available in the silviculture budget, planting may also occur.
19

20 Chair Goldmark added that natural regeneration takes many years. The Department is potentially
21 looking towards grant money to aid in reforestation costs, but the Department is also worried
22 about invasive species taking hold in burned areas. Chair Goldmark also noted that the
23 Department is greatly concerned with having a viable conifer stand for future harvests.
24

25 Director DeLuca asked about the value of the Cougar Fire Salvage sale, and how that sale is
26 progressing. Mr. Shay answered that the sale is not currently active, but all sorts have sold at or
27 above minimum appraisals and the sale is ready to go.
28

29 Director DeLuca noted that monitoring is important and asked what the Department's monitoring
30 plan currently is.
31

32 Mr. Shay answered that there are approximately 6,200 acres of salvage planned, with shorter
33 than normal contracts. Each sale will have 1 to 2 contract administrators monitoring them, as
34 these types of sales require more hands-on administration. Mr. Shay also added that the
35 Department is concerned with invasive species and will be requiring all equipment coming on
36 State land to be thoroughly cleaned for invasives, all seed mixtures used will be certified weed
37 free, and all seedlings used in reforestation operations will be grown at the DNR nursery. Mr.
38 Cramer added that the Department's monitoring is regular and is observational. The 1 to 2
39 administrators per sale are on site daily as activities are occurring, and sales are not closed out
40 until all stipulations have been met. Monitoring continues even after harvest activities have been
41 completed.
42

43 Director Deluca asked if adding more mitigation work for salvage sales creates a losing deal for
44 the DNR, and what percent of the sale value goes back into mitigation efforts.
45

46 Mr. Shay responded by stating that the West Fork sale in particular appraised at a minimum of
47 \$250,000 which will come back to beneficiaries. This sale is only lower value due to the costs;

1 there are 20 miles of road maintenance which will ensure roads are prepared for heavy hauling
2 traffic, and culverts will be clear of debris. Mr. Shay added that with all the costs to set the future
3 stand on a course for commercial harvest as well as reducing fire potential is a good deal.

4
5 Chair Goldmark asked if replanting costs are built in to the costs of the sale.

6
7 Mr. Shay responded that the replanting costs are not part of the cost appraisal, but all engineering
8 and road work costs are included. Mr. Cramer added that replanting costs will come out of the
9 management fund. Mitigation work is handled as it happens, but the sale carries those costs.

10
11 Director DeLuca then asked how susceptible the soils on the West Fork Fire Salvage sale are to
12 erosion, why the West Fork sale does not stipulate work to be done on frozen or dry sales only,
13 and whether or not the Department could assure that operations on the West Fork sale would take
14 place on frozen or dry ground as was stipulated with the Cougar Fire Salvage sale.

15
16 Mr. Cramer responded that there is currently 2 feet of snow on the ground and the Department's
17 default operational timing restrictions will be in place; however, contracts must provide
18 flexibility to operate if conditions allow. The Cougar Fire Salvage sale currently has 4 feet of
19 snow on it, but does not have frozen soils. In these conditions, tracked equipment can operate
20 without touching soils.

21
22 Director DeLuca replied by stating there were stipulations in Cougar Fire Salvage about
23 operations occurring only on dry or frozen ground and asked why the Department had not used
24 the same stipulation for the West Fork Fire Salvage sale.

25
26 Mr. Cramer responded that the same logic would apply to West Fork that occurred with Cougar
27 Fire Salvage, that the ground will either be dry, frozen, or enough snow will be on the ground to
28 prevent damage.

29
30 Director DeLuca stated that these stipulations should be added to the sale language.

31
32 Ms. Austin asked if the 15% of the total burned area to be salvaged was a target. Mr. Cramer
33 answered that the final area to be salvaged is a function of multiple things, using Mr. Angus
34 Brodie's presentation from the December 2015 BNR meeting as a reference. Each area is
35 screened using GIS tools as well as field review. Screening is based on economic and
36 operational feasibility, environmental risks, and staff productive capacity.

37
38 Ms. Austin asked for more clarification regarding the assurances of operations occurring on dry
39 or frozen soils. Mr. Cramer responded by stating that the Department is comfortable with
40 activities being on dry, frozen, or areas with enough snow on the ground to prevent soil damage.
41 The Department does not want to "muck things up."

42
43 Ms. Austin asked if there was a test to determine whether soils can be operated on. Mr. Cramer
44 answered that there is no physical test, the determination is based on observations in the field.

1 Ms. Austin asked if the West Fork sale is adjacent to another planned salvage sale. Mr. Cramer
2 responded that there was another planned salvage sale adjacent to the West Fork sale, but it will
3 not be brought forward.

4
5 Ms. Austin asked for clarification regarding the proximity of the West Fork Fire Salvage sale to
6 “designated critical habitat for endangered steelhead.” Mr. Cramer noted that he is not that
7 familiar with the details, but assured the Board that current HCP rules allow incidental take
8 coverage.

9
10 Ms. Austin followed up by acknowledging that DNR staff does a great deal of review, and asked
11 whether these salvage sales would benefit local communities and the Omak mill specifically. Ms.
12 Austin also asked for clarification regarding the benefit versus negative impacts of salvage
13 logging.

14
15 Mr. Shay responded that salvage sales return more than a monetary value. These sales also
16 complete environmental rehabilitation as well as needed road maintenance work that may not
17 have been completed without the salvage opportunity; these salvage sales are not unlike regular
18 eastside sales in these regards. All sales get the full level of compliance regardless of value and
19 contract administrators are professionals who understand that people are watching the work
20 closely. Mr. Shay also remarked that in some cases the Department cannot wait for natural
21 regeneration to occur; moving in earlier and replanting can cut 15 years off viable stand
22 replacement times.

23
24 Mr. Cramer followed by clarifying that value is related greatly to species composition. If sales
25 have higher valued wood products and are closer to mills they could be more valuable overall.

26
27 Mr. Cramer also noted that 2 sales on the proposed list are delivered log sales without costs taken
28 out, which inflates shown values. Mr. Cramer added that contractors and mills that bid on these
29 salvage sales live in the affected areas, thereby adding to the economy of the area.

30
31 Ms. Austin asked whether salvage logging was a relatively new method. Mr. Cramer responded
32 that salvage logging has always occurred and is more a function of the severity of fire season and
33 burned acreage. The past two years have had abnormally high fire severity resulting in more
34 timber salvage. Mr. Cramer noted there has not been salvage operations of this scale since the
35 blowdown salvages of [2007-2008] where 100 mmbf was removed. Mr. Cramer added that
36 salvage is not new, it is episodic in nature.

37
38 Dean Mittelhammer asked for direct clarification: “For this West Fork sale, we are going to
39 manage in a way such that the roads are either dry, frozen, or sufficient snow to prevent soil
40 damage. DNR is committed to managing it that way, unequivocally.” Mr. Cramer responded
41 “Correct.”

42
43 Director DeLuca commented that recreation takes place on public land and that the State can
44 manage for both recreation and trust benefits simultaneously. Director DeLuca asked how much
45 lands are “destroyed” by forest management as opposed to being managed for recreation
46 specifically. Mr. Cramer answered that simultaneous management occurs all over the state.

1 Director DeLuca asked if there is a specific number of acres. Mr. Kyle Blum responded that
2 12,000 to 15,000 acres of regeneration harvest occurs annually. Recreation occurs constantly
3 through various age classes with brief access timing impacts and minimal disturbance to trails
4 due to forest management activities. Mr. Blum also noted that in order for recreational users to
5 access some viewpoints, good quality roads are needed. Opportunities to improve this access is
6 often provided by timber harvests. Mr. Blum finalized his response by stating that it is due to the
7 level of active forest management occurring on State land that is responsible for the level of
8 recreation opportunities on those same lands.

9
10 MOTION: Dean Mittelhammer moved to approve the sales proposed in February 2016.

11
12 SECOND: Commissioner Peach seconded the motion.

13
14 ACTION: The motion was approved unanimously.

15
16 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

17 Mike Nerland and Doug Quinn, representing the Camas School District, spoke in support of the
18 Camas 80 Transfer.

19
20 **LAND TRANSACTION (Action Items)**

21 **North Capitol Purchase, File No. 08-093292; Resolution 1477**

22 **Mox Chehalis Purchase, File No. 08-093172; Resolution 1478**

23 Bob Winslow, Conservation, Recreation, and Transactions Division

24
25 Mr. Winslow presented the Capitol State Forest Purchases which included the North Capitol
26 Purchase and the Mox Chehalis Purchase. The North Capitol Purchase is located in Thurston
27 County on the north side of Capitol State Forest near Highway 8. This purchase would benefit
28 the Common School Trust and includes 13 acres of merchantable forest land that can be logged
29 using a ground harvest system. The property has high site class 3 soils and 275 MBF of
30 merchantable mixed species timber. The negotiated purchase price is \$149,000 with an
31 allocation to the land of \$14,000 and a timber allocation of \$135,000.

32
33 The Mox Chehalis Purchase is located in Grays Harbor County on the northwest side of Capitol
34 State Forest. This purchase would benefit the Common School Trust and includes 278 acres of
35 forest land that can be logged using both cable and ground harvest systems. The property has
36 productive high site class two forest soils. Approximately 75 acres of this property was
37 harvested in 2015. Most of the remaining operable acres are 20 and 30 year old stands of Red
38 Alder. The negotiated purchase price is \$424,900 with an allocation to the land of \$279,000 and
39 a timber allocation of \$145,900.

40
41 The funds for both purchases will come from the Real Property Replacement Account. Mr.
42 Winslow asked the Board for approval of Resolution 1477 and 1478.

43
44 MOTION: Director DeLuca moved to approve Resolution 1477 and 1478.

45
46 SECOND: Ms. Austin seconded the motion.

1
2 ACTION: The motion was approved unanimously.

3
4 **Camas 80 Direct Transfer, File No. 02-092945; Resolution 1479**
5 Bob Winslow, Conservation, Recreation, and Transactions Division

6
7 Mr. Winslow presented the Camas 80 Direct Transfer to the Board. It is a transfer of 81 acres of
8 Common School Trust property to the Camas School District. The property is located in Clark
9 County north of the City of Camas and was originally identified as potentially suitable for
10 transfer to the school district in a legislative mandated study that was completed in 2008 and
11 presented to the 2009 legislature.

12
13 The property has county road frontage on the southern portion of the property and the center
14 portion of the property was harvested in 2000 (15 year old reproduction). It slopes to the south
15 and contains significant amounts of second growth timber on the outer perimeter of the property.
16 The appraised value is \$1,130,000 with an allocation to the land of \$520,000 and a timber
17 allocation of \$610,000. The funds received from this transfer will be placed into the Real
18 Property Replacement Account (RPRA-CS) to purchase replacement Common School Trust
19 land.

20
21 Mr. Winslow asked the Board for approval of Resolution 1479.

22
23 MOTION: Dean Mittelhammer moved to approve Resolution 1479.

24
25 SECOND: Commissioner Peach seconded the motion.

26
27 ACTION: The motion was approved unanimously.

28
29 **Glenrose Trust Land Transfer, File No. 02-091700; Resolution 1480**
30 David Gordon, Conservation, Recreation, and Transactions Division

31
32 Mr. Gordon provided a brief overview of the status of the Trust Land Transfer (TLT) projects for
33 the 2015-2017 biennium. There are 5 legislatively funded TLT projects proposed for this
34 biennium and the Glenrose TLT project is the first TLT project presented this biennium to the
35 Board.

36
37 The Glenrose Trust Land Transfer (TLT) property is located in Spokane County about 2 miles
38 east of Spokane, Washington. This property is 160 acres in size and designated as Common
39 School Trust. The property will be transferred to Spokane County Parks and will have a
40 perpetual deed restriction limiting future uses of the property to recreation, open space or
41 wildlife habitat. The property is adjacent to the county owned Dishman Hills Natural Area
42 (Glenrose Unit) property. An existing trail through this TLT property is used by the public to
43 access the adjacent county property.

44
45 The overall property value is \$490,000 which includes \$25,000 of timber value and \$465,000 of
46 land value. The timber value will be distributed to the Common School Construction Account.

1 The land value will be transferred to the Real Property Replacement Account for the benefit of
2 the Common School Trust.

3
4 Mr. Gordon recommended approval of Resolution 1480.

5
6 MOTION: Director DeLuca moved to approve Resolution 1480.

7
8 SECOND: Ron Mittelhammer seconded the motion.

9
10 ACTION: The motion was approved unanimously.

11
12 **PUBLIC COMMENTS FOR CHAIR REPORT**

13 Mary Bond, Conservation Manger representing the Seattle Audubon, spoke about the declining
14 marbled murrelet population. Ms. Bond urged the Board to move forward and provide a draft
15 Environmental Impact Statement.

16
17 Kevin Schmelzlen, with the Marbled Murrelet Survival Project, expressed that logging is not the
18 only way to generate revenue. Mr. Schmelzlen stated that the question about how to sustainably
19 fund our counties and school constructions will have to be answered in the long-term.

20
21 **CHAIR REPORT**

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

23 Kyle Blum, Deputy Supervisor for State Uplands

24
25 Mr. Blum provided an update to the Board on the progress of the marbled murrelet long-term
26 conservation strategy (MMLTCS). He stated that the final outputs for the analysis data have been
27 completed and provided to the internal and external analysts. He also informed the Board that the
28 MMLTCS alternative descriptions have been updated with Alternative E now being referred to
29 as alternative F, and the combination of alternative C and D being represented as alternative E.

30
31 Dean Mittelhammer asked about the real timeframe. Mr. Blum stated that the Department is
32 moving as quickly as possible and has plans to release the Draft Environmental Impact Statement
33 in late fall or early winter of this calendar year.


34
35 Commissioner Peach asked about a financial analysis for any potential impacts of the MMLTCS.
36 Mr. Blum stated that a financial analysis will be done for this strategy though the Sustainable
37 Harvest Calculation process. Mr. Blum stated that through the NEPA process an economic
38 analysis will be included in the MMLTCS Environmental Impact Statement.

39
40 Commissioner Peach asked what constraints will be place on harvest in the Olympic
41 Experimental State Forest (OESF). Mr. Blum stated that we will be able to provide this
42 information through the Sustainable Harvest Calculation.

43
44 Commissioner Peach asked if constraints related to the 2006 Settlement Agreement will continue
45 after the release of a new sustainable harvest calculation. Mr. Blum responded that they will not
46 continue.

- 1 Chair Goldmark convened an Executive Session to brief the Board on a potential litigation at
- 2 10:52 AM and reconvened the Regular Board Meeting at 11:17 AM.
- 3
- 4 Meeting adjourned at 11:17 AM.


Approved this 1st day of March, 2016



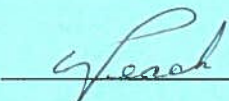
Peter Goldmark, Washington State Commissioner of Public Lands

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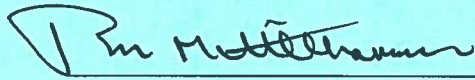
JT Austin, Designee for Governor Jay Inslee



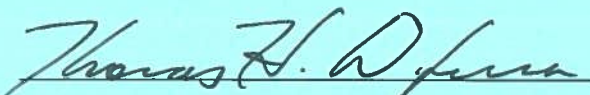
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Ron Mittelhammer, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University



Thomas H. DeLuca, Director, School of Environmental and Forest Sciences,
University of Washington

Attest:



Sarah Vansot, Board Coordinator