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# Minutes

## Board of Natural Resources Meeting

May 12, 2015

Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

The Honorable Peter Goldmark, Washington State Commissioner of Public Lands

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

The Honorable Jim McEntire, Commissioner, Clallam County

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

### BOARD MEMBERS ABSENT

The Honorable Randy Dorn, Superintendent of Public Instruction

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#### 1 CALL TO ORDER

2 Chair Goldmark called the meeting to order at 9:00 AM. All Board members introduced  
3 themselves. Chair Goldmark noted there was a quorum for the meeting.

#### 5 SAFETY REVIEW

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

#### 9 APPROVAL OF MINUTES

10 Chair Goldmark called for approval of the minutes for the April 7, 2015 Regular Board of  
11 Natural Resources Meeting.

12  
13 MOTION: Director DeLuca moved to approve the minutes.

14  
15 SECOND: Ms. Austin seconded the motion.

16  
17 ACTION: The motion was approved unanimously.

#### 19 PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS

20 Kara Whittaker, Senior Scientist & Policy Analyst for the Washington Forest Law Center, stated  
21 that she has concerns about the Deer Wrap and Blyn Repeater timber sales, and urged DNR to be  
22 more careful in the future when screening potentially unstable slopes. She then stated that the

1 Blyn Repeater timber sale may have negative impacts to sensitive wildlife species, and urged  
2 DNR staff to continue to work with local landowners to prevent negative impacts to resident  
3 wildlife and neighbors.

4  
5 Jon Pincelli, citizen, stated his concerns around harvesting in the Chicken Coop area, and  
6 requested a five acre shift or adjustment. He went on to state that he would like the Board to  
7 reconsider harvesting in that area and urged the Board to do further review.

8  
9 Matt Comisky, Washington Manager for American Forest Resource Council (AFRC), thanked  
10 DNR staff and the Board for their hard work in timber sales. Mr. Comisky stated that he  
11 understands that the timber sales set forth involved a lot of external reviews and discussions.

12  
13 **TIMBER SALES (Action Items)**

14 **Proposed Timber Sales for June 2015| 3 handouts, including the presentation**

15 Tom Shay, Product Sales & Leasing Division

16  
17 Mr. Shay presented the results of the April auctions to the Board. The Department offered 17  
18 sales totaling 60.4 MMBF in April. Of these, 14 sales sold totaling \$12.6 million for an average  
19 of \$264 per MBF.

20  
21 Mr. Shay noted that the entire package of April sales were re-appraised after Board approval  
22 through the record of decision (ROD) process in an attempt to keep up with the declining market.  
23 He further noted that there were different reasons for the three sales receiving no bids; roadwork  
24 costs, logging costs, and prescription/volume issues.

25  
26 Mr. Shay explained that sales with high overbid factors were scale sales which reduce the  
27 amount of potential risk incurred by the purchaser if there are volume issues.

28  
29 Director DeLuca asked what will change with the sales that received no bids. Mr. Shay  
30 discussed the sales that were no-bid and the feedback received for each. Chair Goldmark  
31 mentioned that the no bids are reminiscent of six years earlier and that timber futures are going  
32 down.

33  
34 Dean Mittelhammer asked if the DNR could have been more proactive with sales to make them  
35 more attractive to purchasers. Mr. Shay explained the pricing and marketing strategies, and  
36 remarked that some cost information is difficult to obtain.

37  
38 Mr. Shay then addressed the comments from the general public regarding the Deer Wrap and  
39 Blyn Repeater sales. He noted that on the Deer Wrap timber sale the department conducted 8  
40 site visits by geologists, foresters, Forest Practices, tribes, and other stakeholders over three  
41 years. The DNR has high confidence that this is a low-risk proposal.

42  
43 Mr. Shay discussed the mitigation efforts related to concerns raised about the Blyn Repeater sale.  
44 Dean Mittelhammer asked about a specific line from public comments regarding DNR's  
45 conclusion of Deer Wrap sale being based on limited information. Mr. Shay stated that the DNR  
46 did not feel that additional work would supply any additional information.

1 Casey Hanell, Licensed Engineering Geologist from Forest Resources Division, discussed the  
2 geology of the site. Mr. Hanell reiterated that there is high confidence the harvest was a low-risk  
3 proposal.

4  
5 Ms. Austin asked if relict landslides could be reactivated, what would the harm be to do further  
6 analysis, and what can the DNR do to adequately address concerns? Mr. Hanell discussed the  
7 hydrology of the site and how subsurface flows influence the site.

8  
9 Ms. Austin asked what resources, time, and staff would be needed for additional analysis to be  
10 completed. Mr. Hanell responded that it would take at least 5 years to collect data, and that  
11 information would only provide scaled back assumptions of risk.

12  
13 Director DeLuca asked about placing the retention trees along the boundary near the area of  
14 concern. Mr. Hanell pointed out that the sale boundary was actually placed quite far from that  
15 area in order to address those concerns.

16  
17 Dean Mittelhammer asked what was located at the base of the slope, to which Mr. Hanell  
18 responded a railroad grade and some houses.

19  
20 Commissioner McEntire noted that a lot of concern was related to the aquifer recharge area and  
21 the potential use of herbicides (in regards to Blyn Repeater). Commissioner McEntire asked if  
22 the use of herbicides was a certainty or just a normal part of the process. Mr. Shay stated that it  
23 is a standard procedure to disclose that herbicides may be used, but it is not a certainty in the area  
24 of concern.

25  
26 Mr. Shay then presented the proposed June 2015 sales to the Board.

27  
28 Ms. Austin asked what the impacts of removing 5 acres from the Blyn Repeater would be. Mr.  
29 Shay emphasized that money is not always the driving factor, but one acre can equate to  
30 approximately 15 to 20 thousand dollars in lost revenue. With 25 to 30% already unavailable to  
31 harvest due to mitigation, each additional acre added means more lost revenue for beneficiaries.  
32 Chair Goldmark added that HCP is a landscape plan, and it is hard to meet all the local asks  
33 while meeting our fiduciary responsibilities.

34  
35 Director DeLuca asked what a "shift" of acres means and if it is even possible. Mr. Blum  
36 answered that any changes to deferred marbled murrelet requires USFWS approval and that  
37 "shifting" acreage from one sale to another is just taking area out of a future harvest, so it isn't  
38 necessarily shifting.

39  
40 Ms. Austin emphasized that the DNR needs to work with the locals and meet the "asks."

41  
42 Commissioner McEntire added that he feels reassured that DNR staff went the extra mile in  
43 regards to the Blyn Repeater sale, which occurred within his county and district.

44  
45 Chair Goldmark thanked the Board and staff for the discussion on the two sales and shared that  
46 he feels reassured that staff has attempted to address concerns.

47

1 MOTION: Commissioner McEntire moved to approve the proposed May 2015 sales.

2  
3 SECOND: Dean Mittelhammer seconded the motion.

4  
5 ACTION: The motion was approved unanimously.

6  
7 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

8 Matt Leise, Division Forester for Sierra Pacific Industries, spoke about the Morning Star NRCA  
9 expansion. He stated his concerns about the decision that can potentially reduce the amount of  
10 land available for forest management. Mr. Leise urged the Board to make decisions about inter-  
11 trust exchange and trust land transfers within the context of a comprehensive NRCA  
12 management plan. He stated that they believe it would be appropriate for the Board and the  
13 public to review and comment on proposed transfers prior to their funding by the legislature.

14  
15 Graham Taylor, Conservation Organizer with the Sierra Club, spoke in support of the Morning  
16 Star NRCA expansion. He stated that when thinking about the future and climate change we  
17 would want to expand these core areas of protection. Mr. Taylor urged the Board to approve the  
18 expansion of the Morning Star NRCA.

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

21 **Morning Star Inter-Trust Exchange No. 86-090728; Resolution 1449**

22 Bob Winslow, Conservation, Recreation, and Transactions Division

23  
24 Mr. Winslow presented the Morning Star Inter-Trust Exchange. The properties are located in  
25 Snohomish County. The exchange between two state trust beneficiaries helps to facilitate the  
26 Morning Star Trust Land Transfer project.

27  
28 Mr. Winslow shared that Parcel B is located east of Monroe and is 160 acres in size. Parcel B  
29 would change from State Forest Land Trust to Common School Trust in the exchange, and the  
30 trees are 160+ years in age. It is located on site class 5 soils with no roads and an average  
31 elevation of 4,100 feet. It was valued under two different scenarios and DNR staff  
32 recommended going with the total value of \$960,000 which is comprised of \$922,000 of timber  
33 value and \$38,000 of land value. He then shared that Parcel C is located east of Monroe and  
34 west of Parcel B, and is 105 acres in size. Parcel C would change from Common School Trust to  
35 State Forest Land Trust in the exchange. It is site class 2 and 3 soils, has good roads on the  
36 property, and is located at an elevation of 1,100 feet. Parcel C is equivalent in value to Parcel B  
37 with a total value of \$961,000 which is comprised of \$903,000 of timber value and \$58,000 of  
38 land value.

39  
40 Mr. Winslow shared with the Board that a hearing was held in Everett for the exchange on  
41 January 21, 2015. Testimony given for reasons not in support of the exchange and transfer were  
42 the following: Boundary too large; boundary too small; would reduce the trust and working  
43 forest acreage; less motorized recreation. Testimony given for reasons in support of the  
44 exchange and transfer were the following: Protection of old growth, rare birds and wildlife,  
45 native plants, soils and drinking water; Enhances biodiversity, ecological function and outdoor  
46 recreation; Provides additional landscape connectivity between the Morning Star NRCA and the  
47 USFS Wild Sky Wilderness.

1 **Morning Star Trust Land Transfer; No. 02-090339; Resolution 1450**

2 Bob Winslow, Conservation, Recreation, and Transactions Division

3  
4 Mr. Winslow presented the Morning Star Trust Land Transfer (TLT). The property is located in  
5 Snohomish County about 25 miles east of Monroe, Washington. The property is 2,445 acres in  
6 size, and through the Morning Star Inter-Trust Exchange, the entire property is now designated  
7 as Common School Trust. The property will be transferred to the Morning Star Natural  
8 Resource Conservation Area to be managed in perpetuity as a natural area.

9  
10 The property has conservation features which include old timber, wildlife habitat and low-impact  
11 dispersed recreation. The transferred property will continue to be DNR HCP Permit Lands for  
12 the remaining term of DNR's HCP.

13  
14 DNR valued the property under two different scenarios and staff recommended going with the  
15 total value of \$5,706,000 which is comprised of \$5,107,000 of timber value and \$599,000 of land  
16 value. The timber value will be distributed to the Common School Construction Account, and the  
17 land value will be transferred to the Real Property Replacement Account.

18  
19 Mr. Winslow shared with the Board that a hearing was held in Everett for transfer on January 21,  
20 2015. Testimony given for reasons not in support of the exchange and transfer were the  
21 following: boundary too large; boundary too small; would reduce the trust and working forest  
22 acreage; less motorized recreation. Testimony given for reasons in support of the exchange and  
23 transfer were the following: protection of old growth, rare birds and wildlife, native plants, soils  
24 and drinking water; enhances biodiversity, ecological function and outdoor recreation; provides  
25 additional landscape connectivity between the Morning Star NRCA and the USFS Wild Sky  
26 Wilderness.

27  
28 Mr. Winslow recommended approval of Resolution 1449 and 1450.

29  
30 MOTION: Director DeLuca moved to approve Resolution 1449 and 1450.

31  
32 SECOND: Dean Mittelhammer seconded the motion.

33  
34 ACTION: The motion was approved unanimously.

35  
36 **Stavis Inter-Trust Exchange; No. 86-090899; Resolution 1451**

37 Bob Winslow, Conservation, Recreation, and Transactions Division

38  
39 Mr. Winslow presented the Stavis Inter-Trust Exchange. The properties are located in Kitsap  
40 County south of the town of Seabeck, and the exchange involves the following five trust  
41 beneficiaries: Common School; State Forest Land; Scientific School; Capitol Building; and  
42 Charitable, Educational, Penal and Reformatory Institution (CEPRI). The exchange will help to  
43 facilitate the Stavis Trust Land Transfer project.

44  
45 Mr. Winslow remarked that Parcels A, B and C will change from State Forest Land Trust to  
46 Common School Trust and total 502 acres with a total value of \$4,728,000 which is comprised of  
47 \$1,960,000 of timber value and \$2,768,000 of land value. Parcel B-1 will be exchanged for

1 Parcels A, B and C and will change from Common School Trust to State Forest Land Trust.  
2 Parcel B-1 is 532 acres in size with a total value of \$4,775,000 which is comprised of \$3,291,000  
3 of timber value and \$1,484,000 of land value. The State Forest Land Trust will have an increase  
4 in acreage and timber volume in the exchange.  
5

6 Parcel E will change from Scientific School Trust to Common School Trust, and is 21 acres in  
7 size with a total value of \$273,000 which is entirely comprised of land value. Parcel B-2 will be  
8 exchanged for Parcel E and will change from Common School Trust to Scientific School Trust.  
9 Parcel B-2 is 41 acres in size with a total value of \$275,000 which is comprised of \$173,000 of  
10 timber value and \$102,000 of land value. The Scientific School Trust will have an increase in  
11 acreage and timber volume in the exchange.  
12

13 Parcel F will change from Capitol Building Trust to Common School Trust and is 20 acres in  
14 size with a total value of \$172,000 which is entirely comprised of land value. Parcel B-3 will be  
15 exchanged for Parcel F and will change from Common School Trust to Scientific School Trust.  
16 Parcel B-3 is 20 acres in size with a total value of \$171,000 which is comprised of \$120,000 of  
17 timber value and \$51,000 of land value. The Capitol Building Trust will have an increase in  
18 timber volume in the exchange.  
19

20 Parcel G will change from CEPRI Trust to Common School Trust and is 10 acres in size with a  
21 total value of \$132,000 which is entirely comprised of land value. Parcel B-4 will be exchanged  
22 for Parcel G and will change from Common School Trust to CEPRI Trust. Parcel B-4 is 10 acres  
23 in size with a total value of \$133,000 which is comprised of \$109,000 of timber value and  
24 \$24,000 of land value. The CEPRI Trust will have an increase in timber volume in the  
25 exchange.  
26

27 Mr. Winslow shared with the Board that a hearing was held in Seabeck for the Stavis Inter-Trust  
28 Exchange on September 3, 2014. One person testified in favor of the exchange and no one  
29 opposed the exchange.  
30

### 31 **Stavis Trust Land Transfer; No. 02-090369; Resolution 1452**

32 Bob Winslow, Conservation, Recreation, and Transactions Division  
33

34 Mr. Winslow presented the Stavis Trust Land Transfer (TLT). The property is located in Kitsap  
35 County about 5 miles southwest of Seabeck, Washington. The total transfer is 553 acres in size  
36 and through the Stavis Inter-Trust Exchange, BNR Resolution #1451, the entire property is now  
37 designated as Common School Trust. The property will be transferred to the Stavis Natural  
38 Resources Conservation Area to be managed in perpetuity as a natural area. The transferred  
39 property will continue to be DNR HCP Permit Lands for the remaining term of the DNR's HCP.  
40 The property has many conservation features including Natural Heritage quality plant  
41 communities, habitat for Puget Sound salmon, low-impact recreation and wetlands and streams  
42 enhancing water quality for Hood Canal.  
43

44 DNR staff recommend transferring the property at the appraised property value of \$5,306,200  
45 which is comprised of \$1,960,000 of timber value and \$3,346,200 of land value. The timber  
46 value will be distributed to the Common School Construction Account, and the land value will  
47 be transferred to the Real Property Replacement Account.

1  
2 Mr. Winslow shared with the Board that at the public hearing held in Seabeck one person spoke  
3 in favor of the exchange and transfer of the property, and no one spoke in opposition.  
4

5 Mr. Winslow recommended approval of Resolution 1451 and 1452.  
6

7 MOTION: Commissioner McEntire moved to approve Resolution 1451 and 1452.  
8

9 SECOND: Dean Mittelhammer seconded the motion.  
10

11 ACTION: The motion was approved unanimously.  
12

### 13 PUBLIC COMMENTS FOR CHAIR REPORT

14 Cherie Kidd, City Council Member of Port Angeles, asked the Board to address the arrearage.

15 Ms. Kidd expressed that the arrearage has had a negative effect on the economy and that jobs and  
16 taxes are lost because of lack of timber harvest.  
17

18 David Marshall, with Sierra Industries, spoke about climate change. Mr. Marshall stated that  
19 active forest management is a key component in maintaining the young productive forest to  
20 protect from risks.  
21

22 Chuck Burkes, Public Affairs Manager representing Interfor, questioned why arrearage has been  
23 added to the Sustainable Harvest Calculation (SHC) purpose and need statement. He stated his  
24 concerns around timing if the arrearage was tied into the SHC.  
25

26 Joe Monks, representing the Washington Hardwood Commission, AFRC and Northwest  
27 Hardwood, Inc., believes there has been a lack of sound forest management and harvest activities  
28 in riparian areas. Mr. Monks stated that timber can be harvested economically, safely,  
29 environmentally to insure an added incremental return to the State. He added that maximizing  
30 trust revenues, developing health forests and insuring healthy communities should be goals of the  
31 DNR for its stakeholders.  
32

33 Commissioner Dan Cothren, Chair, Board of Wahkiakum County, stated that fire and climate  
34 change is of concern to the Wahkiakum County. Commissioner Cothren remarked that we have  
35 to be more active in our forest to grow more habitat.  
36

37 Peter Goldman, Director of the WFLC and Council for the Sierra Club, Seattle Audubon, and  
38 OFCO, thanked DNR for stating in the purpose and need statement that it will consider the  
39 climate impacts of forestry on DNR state lands. Mr. Goldman asked the Board to direct DNR to  
40 do more than just climate change, but to make sound science decisions that reflect climate  
41 change science.  
42

43 Ann Forest Burns, Vice President of AFRC, stated that AFRC disagrees with the assumption that  
44 the environmental analysis for the sustainable harvest calculation must include the analysis of  
45 how the current arrearage will be dealt with. Ms. Burns urged the Board not to adopt a purpose  
46 and need statement that requires the Board to decide what to do with the arrearage at the same  
47 time as the sustainable calculation.

1  
2 Rick Homchick, representing the Timberland Regional Library, stated the importance of the  
3 timber sales revenue to the Timberland Regional Library's budget.  
4

5 Art Wang, President of Tahoma Audubon Society, stated that there is a continued interest in the  
6 marbled murrelet and urged the Board to continue to look into the science behind it.  
7

8 Lisa Remlinger, representing the Washington Environmental Council, thanked the Board for  
9 their leadership of land management. She also thanked the Board for including climate change  
10 in the purpose and need statement, for mentioning the finalization of the OESF management  
11 plan, and acknowledging that the Marbled Murrelet Long-term Conservation Strategy will  
12 impact the calculation.  
13

#### 14 **CHAIR REPORT**

##### 15 **Marbled Murrelet and Sustainable Harvest Calculation Update**

16 Kyle Blum, Deputy Supervisor for State Uplands  
17

18 Mr. Blum stated that the purpose of his presentation is to provide an updated draft staff proposal  
19 of the purpose and need document.  
20

21 Mr. Blum summarized the staff recommended changes from the previous purpose and need  
22 statement. He stated that the major changes are in the purpose statement and adding a set of  
23 objectives. Mr. Blum presented all of the recommended language changes to the proposal,  
24 purpose, need, and objectives.  
25

26 Ms. Austin commented that she appreciated addressing the comments received about climate  
27 change in the updated staff proposal. She stated that there is a great opportunity for public  
28 involvement around this topic. Ms. Austin asked how staff will analyze climate impacts, what  
29 kinds of mitigation is it developing, and what are the opportunities for public involvement.  
30

31 Mr. Blum stated that opportunities for public involvement include providing comments at BNR  
32 meetings and engaging in the formal comment period through the State Environmental Policy  
33 Act (SEPA) process. Mr. Blum indicated that he would provide more information at the next  
34 meeting.  
35

36 Director DeLuca asked for follow up on the comment about inclusion of arrearage in the purpose  
37 and need statement. Mr. Blum responded that the arrearage calculation statute, RCW 79.10.330,  
38 requires an environmental as well as economic analysis. Mr. Blum stated that from a policy  
39 perspective the arrearage is linked to the Sustainable Harvest Calculation. He further stated that  
40 the Board has policy choices to make about the alternatives to be considered and the acres tied to  
41 the arrearage that will have an impact on the baseline used for the sustainable harvest calculation.  
42

43 Commissioner McEntire stated that he hopes that the arrearage sub-committee will be able to  
44 bring back some intelligent discussion and a set of premises for treatment and decisions for how  
45 to undertake the arrearage.  
46



1 Dean Mittelhammer stated that he would like to underscore that the arrearage and the sustainable  
2 harvest calculation are inextricably linked due to the fiduciary responsibility and the impact of  
3 them affecting markets and sales.  
4

5 Mr. Blum then provided an update on the Marbled Murrelet Long-term Conservation Strategy by  
6 stating that work is ongoing for the biological implications.  
7

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

9 Russ Pfeiffer-Hoyt, Chair of the Washington State School Directors' Association Trust Land  
10 Task Force, thanked Chair Goldmark and DNR staff for their work with the trust beneficiaries.  
11 He then remarked that the efforts from the DNR staff will help with their goals as advocates to  
12 the beneficiaries of the school trust.  
13

14 Lois Ward, citizen, stated her concerns about the accidental takes of the marbled murrelets. Ms.  
15 Ward urged the Board to look into the issue to minimize and preserve the depleting species.  
16

17 Bob Hamlin, representing the Skamania County Commissioners, thanked the Board for giving  
18 the county stability. He then asked the Board to continue to maintain and manage all the  
19 resources for the benefit of all.  
20

21 Chair Goldmark turned the Regular Board of Natural Resources Meeting to Director DeLuca at  
22 11:13 AM.  
23

24 Jon Pincelli, citizen, commended the field staff for their work. He stated that nothing gets done  
25 right without everyone's efforts.  
26

27 Karen Lewis, citizen, urged the Board to make every attempt to preserve the trees and animals.  
28

29 Kevin Schmelzlen, with the Marbled Murrelet Survival Project, stated that he is hopeful that the  
30 marbled murrelet long-term conservation strategy will be based on sound science. He added that  
31 the conservation communities support a long-term conservation strategy based on the 2008  
32 science team report.  
33

34 Graham Taylor, Conservation Organizer with the Sierra Club, stated that having an August  
35 meeting shows the seriousness that DNR is taking to develop a long-term conservation strategy.  
36 Mr. Taylor encouraged the DNR to continue to look for a science base alternative for the long-  
37 term conservation strategy.  
38

39 Ben Pachew, Chairman, Fire District in Clallam County, spoke about the importance of the  
40 timber sale revenue to their county.  
41

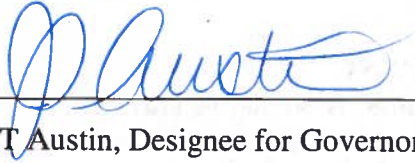
42 Ashley Powell, student at the University of Washington, spoke in support of the marbled  
43 murrelet old-growth areas and their connection to bees.  
44

45 Meeting adjourned at 11:21 AM

Approved this 2<sup>nd</sup> day of June, 2015



Peter Goldmark, Washington State Commissioner of Public Lands



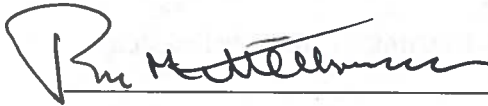
JT Austin, Designee for Governor Jay Inslee

Absent

Randy Dorn, Superintendent of Public Instruction



Jim McEntire, Commissioner, Clallam County



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