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# Minutes

## Board of Natural Resources Meeting

September 6, 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

The Honorable Randy Dorn, Superintendent of Public Instruction

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 – *via conference call*

### BOARD MEMBERS ABSENT

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

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### CALL TO ORDER

Chair Goldmark called the meeting to order at 9:00 AM.

All Board members introduced themselves. Chair Goldmark noted there was a quorum for the meeting with Dean Mittelhammer participating via phone.

### SAFETY REVIEW

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

### APPROVAL OF MINUTES

Chair Goldmark called for approval of the minutes for the July 5, 2016 Regular Board of Natural Resources Meeting and August 11, 2016 Special Board of Natural Resources Meeting.

**MOTION:** Commissioner Peach moved to approve the minutes.

**SECOND:** Director DeLuca seconded the motion.

**ACTION:** The motion was approved unanimously.

### PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Jim Stoffer, representing the Sequim School Board and a member of Washington State School Directors' Association Trust Land Task Force, urged the Board to take action on the arrearage issue.

1  
2 Doug Cooper, Vice President of Resources for Hampton Tree Farms, spoke of the importance of  
3 the timber sales program. He urged the Board to understand enough detail when making policy  
4 decisions for the marbled murrelet long-term conservation strategy and the sustainable harvest  
5 calculation.  
6

7 Zack Carlson, Senior at Forks High School, stated his concerns regarding the DNR arrearage.  
8

9 Cheryl Heywood, Timberland Regional Library Director, stated that as a trust beneficiary and a  
10 junior taxing district, the library relies heavily on the timber sales revenue received annually.  
11

## 12 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

13 Knox Marshall, Vice President of Murphy Company, spoke about the importance of the timber  
14 sales program. Mr. Marshall asked the Board to consider the impacts of any harvest reductions  
15 to the rural communities and asked the Department to move forward with the plan to offer the  
16 maximum sustained allowable harvest.  
17

### 18 **TIMBER SALES (Action Item)**

#### 19 **Proposed Timber Sales for September & October 2016 | 4 handouts, including the** 20 **presentation**

21 Tom Shay, Product Sales & Leasing Division  
22

23 Mr. Shay presented the results of the July and August auctions to the Board. The Department  
24 offered 7 sales totaling 10.5 mmbf in July. Of those, sales sold totaling \$2.5 million for an  
25 average of \$265 per mbf with just over 2 bidders per sale on average. The Department offered 6  
26 sales in August, totaling 33.8 mmbf. All August sales sold for a value of \$11.8 million for an  
27 average of \$348/mbf with an average of over 3 bidders per sale.  
28

29 Mr. Shay noted the average number of bidders was higher than normal for this time of year.  
30 Commissioner Goldmark asked about the two sales that received no bids in July. Mr. Shay  
31 responded that the sales were reevaluated and road costs adjusted, and are scheduled to be  
32 reoffered in September.  
33

34 Commissioner Peach noted that there appears to be more contract harvest sales moving forward  
35 in Olympic Region and asked if that is something the Department is moving towards?  
36 Commissioner Peach also noted that contract harvest sales appear to be a product that could do  
37 well in Olympic Region. Mr. Shay responded that the Department is moving forward with more  
38 contract harvest sales in Olympic Region as well as training more foresters to comply contract  
39 harvest sales.  
40

41 Commissioner Peach commended the Department for these efforts.  
42

43 Mr. Shay then presented proposed sales to be offered in September and October to the Board,  
44 and added that the per mbf value for the proposed sales is low due to varying levels of sale  
45 complexity.  
46

47 Mr. Shay asked for approval of the proposed sales as presented.

1  
2 MOTION: Director DeLuca moved to approve the sales proposed for September and  
3 October 2016.

4  
5 SECOND: Commissioner Peach seconded the motion.  
6

7 ACTION: The motion was approved unanimously.  
8

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

10 Rick White, representing the City of Pasco, spoke in favor of the Pasco 16 transaction. Mr.  
11 White reaffirmed the City's and his staff's commitment to the success of the auction.  
12

13 **LAND TRANSACTION (Action Items)**

14 **Old Hwy 99 Transaction, Resolution 1486**

15 Michelle Burbidge, Conservation, Recreation, and Transactions Division  
16

17 Ms. Burbidge presented the Old Highway 99 Escheat presentation to the Board. The property is  
18 located in Cowlitz County, east of the Columbia River, I-5 and the Port of Kalama. The parcel is  
19 0.08 acres in size and generates no revenue. Ms. Burbidge gave the Board an overview of the  
20 history. The appraised market value is \$5,000 and will be transferred to the Port of Kalama.  
21

22 Ms. Burbidge recommended approval of Resolution 1486.  
23

24 MOTION: Commissioner Peach moved to approve Resolution 1486.  
25

26 SECOND: Director DeLuca seconded the motion.  
27

28 ACTION: The motion was approved unanimously.  
29

30 **Pasco 16 Transaction, Resolution 1487**

31 Michelle Burbidge, Conservation, Recreation, and Transactions Division  
32

33 Ms. Burbidge presented the Pasco 16 Land Bank Sale presentation to the Board. The property is  
34 located in Franklin County, and lies South of I-182 and North of the Columbia River. The  
35 property has 230 acres of land bank land and 5 lots zoned for residential development.  
36

37 Ms. Burbidge gave the Board an overview of the background, project history, and auction  
38 process. She explained the appraised market values stating the amount for Lots 1-5, with a total  
39 gross retail value of \$5,551,000.  
40

41 Ms. Burbidge recommended approval of Resolution 1487.  
42

43 MOTION: Director DeLuca moved to approve Resolution 1487.  
44

45 SECOND: Commissioner Peach seconded the motion.  
46

47 ACTION: The motion was approved unanimously.

1  
2 **PUBLIC COMMENTS FOR CHAIR REPORT**

3 Phillip Kitchel, citizen, encouraged the Board to look for an alternative that would allow the  
4 maximum amount of revenue back to the trust beneficiaries.  
5

6 Jim McEntire, citizen, asked the Board to error on the side of more acres available for harvest  
7 when looking at the alternatives due to the uncertainty of the actual effect on the survival of the  
8 species.  
9

10 Dan Cothen, Wahkiakum County Commissioner, spoke about his concerns regarding the  
11 alternatives and the impacts it will have on his county, and that either way their county will get  
12 hit hard.  
13

14 Matt Comisky, Washington Manager for AFRC, stated that the Board must assure it has  
15 sufficient information needed to make informed decisions. Mr. Comisky urged the Board to  
16 assure that staff are using the best and most reliable data in developing these alternatives.  
17

18 Rod Fleck, City of Forks Attorney, asked the Board to ask DNR staff for additional information  
19 for each elemental component, what the volume and acreage is associated with it especially  
20 when developing the alternative, and stated his concerns regarding slide 7, 10 and 15. He  
21 specified that alternative F should be ruled out as a non-viable option for the Board to consider.  
22

23 Linda Murtfelt, citizen, spoke in support of the marbled murrelet survival project. Ms. Murtfelt  
24 added that alternate sources of revenue are needed to support the trust beneficiaries and the  
25 marbled murrelets, and urged the Board to find alternate sources of revenue.  
26

27 Art Wang, representing the Tahoma Audubon, urged the Board to error on the side of protection  
28 of the species and expressed his appreciation for the work staff put into the process.  
29

30 Arianne Jaco, representing the Washington Environmental Council, stated that the Board has the  
31 opportunity to select the strongest conservation alternative. Ms. Jaco expressed that there is only  
32 a 14% difference between alternative A and F, adding that she believes the Board should be able  
33 to do what is right for the environment and the state beneficiaries.  
34

35 **CHAIR REPORT**

36 **Marbled Murrelet Long-term Conservation Strategy**

37 Kyle Blum, Deputy Supervisor for State Uplands  
38

39 For the purpose of comparing marbled murrelet alternatives by their relative effects on the  
40 sustainable harvest level, this presentation focused on harvest output numbers. Mr. Blum stressed  
41 that because other sustainable harvest variables have not yet been fixed, these numbers were only  
42 intended to help isolate and compare relative differences between the murrelet alternatives, and  
43 that final harvest levels will differ.  
44

45 Mr. Blum prefaced the marbled murrelet scenario discussion with the Trust Mandate and  
46 Evaluation Criteria slides that he's shown in the last several Board presentations. He used the

1 slides to remind the Board of the legal fiduciary responsibilities of the Department, as well as the  
2 criteria in which the chosen murrelet alternatives will be evaluated.

3  
4 After those two slides, Mr. Blum gave a refresher on the components that make up the different  
5 murrelet alternatives. Given the proposed scale of conservation under debate, Superintendent  
6 Dorn expressed thoughts on gauging significance between the choices, and the effort going into  
7 the decisions.

8  
9 Mr. Blum then showed a graph of harvest volumes by scenario over the next 10 decades.  
10 Scenarios B and F were approximately 100 mmbf different per year, with the other scenarios  
11 lining up very closely to each other in between.

12  
13 Decade 1 scenario numbers fell between approximately 500 and 400 MMBF per year. Given that  
14 the current sustainable harvest level is at 550 MMBF per year, Commissioner Peach asked Mr.  
15 Blum to explain the reduction. Mr. Blum noted that last decade's prediction also projected a  
16 lower harvest level during this same time period. But Mr. Blum offered several other reasons  
17 driving the difference, including: improved mapping of unstable features; the interim strategy  
18 represented here in Scenario A protecting more acres than what was assumed in the past  
19 sustainable harvest calculation; and lastly, the new model projecting much less riparian volume.

20  
21 Scenario harvest volumes were then compared by trust. Not all trusts respond similarly to the  
22 scenarios, which could be seen in the table. Chair Goldmark acknowledged that the trust mandate  
23 must be remembered when there's potential for differential treatment. Mr. Blum, in his  
24 understanding of the Board's obligation, explained that Board must protect the interest of each  
25 Trust. The selected alternative need not treat each trust alike or benefit all trusts equally, but the  
26 selected alternative must, on balance, serve the economic interest of each trust. One trust cannot  
27 benefit at the expense of another.

28  
29 In a graph of the same scenario harvest volume by trust data, scenarios could be seen compared  
30 against Scenario A. In general, Scenario B provide higher volume and scenarios C-F provided  
31 lower volume.

32  
33 The next table showed scenario harvest volumes at the county, State Forest Transfer Lands,  
34 scale. Responding to a comment by Commissioner Peach, Mr. Blum explained that as the  
35 process continues, more detail will need to be explored. In another bar graphic Mr. Blum looked  
36 at scenario impacts more closely within Clallam, Pacific, Skagit, Snohomish, and Wahkiakum  
37 counties.

38  
39 The last numbers provided were of cumulative net present value over the planning period, by  
40 scenario. Numbers ranged from \$5.21 billion in Scenario B to \$4.27 billion in Scenario F.

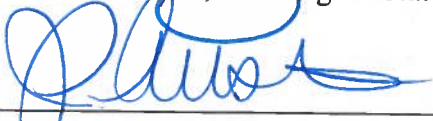
41  
42 Dean Mittelhammer pointed out that this presentation was intended to look at an isolated variable  
43 (murrelet scenarios), and future presentations will look at other isolated variables (e.g.,  
44 arrearage), but in the end the decision will simultaneously have to include them all. Additional  
45 scenarios, alternatives, and presentations will be intended to provide the information needed to  
46 put all the pieces together.

1 Meeting adjourned at 10:51 AM.

Approved this 4<sup>th</sup> day of October, 2016



Peter Goldmark, Washington State Commissioner of Public Lands



JT Austin, Designee for Governor Jay Inslee



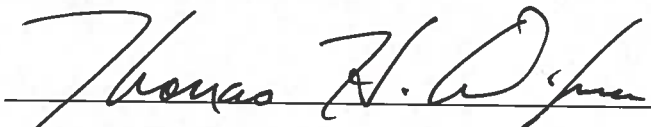
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Washington State University



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

Attest:



Sarah Vansot, Board Coordinator

