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# Minutes

## Board of Natural Resources Meeting

November 7, 2017  
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

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

Elizabeth Van Volkenburgh, Interim 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

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### 1 CALL TO ORDER

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

3  
4 All Board members introduced themselves. Chair Franz noted there was a quorum for the  
5 meeting.

### 6 SAFETY REVIEW

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

### 10 APPROVAL OF MINUTES

11 Chair Franz called for approval of the minutes for the August 18, 2017 Retreat and the October  
12 3, 2017 regular Board of Natural Resources Meeting.

13  
14  
15 MOTION: Director Van Volkenburgh moved to approve the minutes.

16  
17 SECOND: Dean Mittelhammer seconded the motion.

18  
19 ACTION: The motion was approved unanimously.

20  
21  
22  
23

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

2 **Jim Stoffer, representing WSDDA and the Sequim School Board;** noted WSDDA's  
3 involvement on the Forest Health Advisory Committee. He then asked for Board support acquire  
4 property in order to continue the Olympic Discovery Trail through Anderson State Park and over  
5 Eagle Mountain.

6  
7 **Aubrey Stargell, Resource Manager Great Western;** shared his concern on the adoption of  
8 the preferred alternative for the Marbled Murrelet Long-term Conservation Strategy.

9  
10 **Eric Brown, Chairman of Baker to Bellingham Planning Committee;** informed the Board of  
11 the alternative of recreation plans. He also noted his appointment to Blanchard Forest Strategy  
12 Committee and will continue working to acquire lands to transition to recreation lands.

13  
14 **Patricia Jones, Olympic Forest Coalition;** asked for clarification on the policy basis in table 1  
15 pertaining to the gains for some counties, yet no gains for other counties.

16  
17 **Carol Johnson, NOTAC;** referenced a graph on harvest volume over the past 30 years noting  
18 how it impacts jobs and the economy. She asked why rural communities have to be so heavily  
19 impacted.

20  
21 **Miguel Perez-Gibson, WEC;** provided context on what will be heard from the environmental  
22 communities today and referred to policy that guides agency direction. He reminded the Board of  
23 principles and values that need to be acknowledged and referenced when making decisions.

24  
25 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

26 **Jim Stoffer, WSSDA, Trust Lands Task Force;** spoke about support of timber sales revenue  
27 that go to the common school construction fund.

28  
29 **TIMBER SALES (Action Item)**

30 **Proposed Timber Sales for December 2017 | 3 handouts, including the presentation**  
31 Tom Heller, Acting Assistant Division Manager, Product Sales & Leasing Division

32  
33 Mr. Heller presented the results of the October auction to the Board. The Department offered 13  
34 sales totaling 61.1 mmbf in October. Of those, all sales sold totaling \$29.7 million for an average  
35 of \$486 per mbf with 3.2 bidders per sale on average.

36  
37 Mr. Heller noted that markets remain positive and he foresees this continuing until the spring  
38 when markets could cool off slightly. Mr. Heller then asked for questions on the October 2017  
39 results.

40  
41 Director Van Volkenburgh asked about the age of the sold timber. Mr. Heller responded that the  
42 timber was likely between 60 and 80 years-old. The DNR typically offers more mature timber  
43 than other timber sellers do.

44  
45 Mr. Heller then presented the proposed sales to be offered in December 2017 to the Board. Mr.  
46 Heller noted the high average value of proposed sales, which is about \$20/mbf greater than the  
47 previous package. Mr. Heller also expects to see high results from the December auctions.

1  
2 Mr. Heller then briefly discussed the Blue Ridge 2018 sale to highlight that the sale is a  
3 cooperative study with USFS and others who would study five different harvest methods. Mr.  
4 Heller noted that the Blue Ridge 2018 sale would be the third entry for that particular study area.  
5

6 Mr. Heller asked the Board for questions on the December 2017 proposed sales.  
7

8 Commissioner Franz asked if the objectives of the cooperative study are purely to study visual  
9 impacts of timber harvest. Mr. Heller responded that visual impacts are secondary to the primary  
10 study areas of focus, which are more about different silvicultural practices or harvest methods  
11 (i.e. thinning, selective cuts, etc.) and how these harvest methods affect stand productivity and  
12 regeneration.  
13

14 Mr. Heller asked for approval of the sales package.  
15

16 Chair Franz, after hearing no questions, called for a motion to approval the proposed timber  
17 sales.  
18

19 MOTION: Dean Mittelhammer moved to approve the proposed sales.  
20

21 SECOND: Commissioner Peach seconded the motion.  
22

23 ACTION: The motion was approved unanimously.  
24

## 25 PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS

26 There were none.  
27

### 28 LAND TRANSACTION (Action Items)

#### 29 Northport Work Center, Direct Transfer, No. 02-095685; Resolution #1509

30 Deborah Whitney, Recreation, and Transactions Division  
31

32 Ms. Whitney presented the Northport Work Center property, which is located within the Town of  
33 Northport, in Stevens County, Washington, and is about 32 miles northeast of Colville. The  
34 0.33-acre property was formerly used as a DNR Work Center and is currently under lease to the  
35 Stevens County Fire Protection District #11, who is the proposed Purchaser. The fire district  
36 would like to purchase the property for a permanent fire protection facility. The revenue from  
37 this transfer will be deposited into the Real Property Replacement Account to purchase  
38 replacement property for the Common School Trust.  
39

40 The appraised value and price is \$54,000.00.  
41

42 Ms. Whitney concluded by asking the Board to approve Resolution #1509.  
43

44 MOTION: Commissioner Peach moved to approve Resolution #1509.  
45

46 SECOND: Superintendent Reykdal seconded the motion.

1  
2 ACTION: The motion was approved unanimously.  
3

4 **Kelleher Road Trespass, No. T3-093884 Resolution #1510**  
5 Deborah Whitney, Recreation, and Transactions Division  
6

7 Ms. Whitney presented the Kelleher Road Trespass property, which is located in Skagit County,  
8 just north of Burlington and Sedro Woolley. The 4 ½ acre parcel is segregated from its larger  
9 State parcel by Thomas Creek. The property is encroached on by the adjoining landowner's barn  
10 and feed station. The landowner also has a trough and solar pump and grazing cattle on the  
11 property. The landowner approached DNR to purchase the property to resolve the trespass, and  
12 is paying all the administrative costs associated with the transaction.  
13

14 The appraised value and price is \$7,690.00.  
15

16 Ms. Whitney recommended approval of Resolution #1510.  
17

18 MOTION: Commissioner Peach moved to approve Resolution #1510.  
19

20 SECOND: Dean Mittelhammer seconded the motion.  
21

22 ACTION: The motion was approved unanimously.  
23

24 **PUBLIC COMMENTS FOR CHAIR REPORT**

25 **Patricia Jones, OFCO;** asked the Board to not adopt Alternative D as the Preferred Alternative  
26 and supports the adoption of several alternatives.  
27

28 **George Keefe, Citizen;** spoke about the adoption of the Preferred Alternative.  
29

30 **Jim McEntire, Port Angeles Business Association;** spoke to the selection of the preferred  
31 alternative and asked the Board follow their fiduciary duties.  
32

33 **Russ Pfeiffer Hoyt, Trust Lands Task Force Chair, WSDDA;** encouraged the Board to select  
34 a preferred alternative that does not exceed the minimum threshold under the HCP and reminded  
35 the Board of their responsibility to the Trusts.  
36

37 **Graham Taylor, Sierra Club Committee Chair;** spoke about the selection of the preferred  
38 alternative, and encouraged the Board to endorse the conservation alternative.  
39

40 **Lisa Ayers, Pacific County Commissioner;** spoke about the lost revenue to Pacific County and  
41 the junior taxing districts, which impacts the entire community. She encouraged the Board to  
42 adopt a strategy to meet their minimum statutory requirements.  
43

44 **Joe Monks, Vice-Chair of the WA Hardwoods Commission;** commented on riparian harvest  
45 options and the desired future conditions.  
46



1 **Bill Tuner, Sierra Pacific Industries;** spoke about the selection of the preferred alternative and  
2 questioned why Alternative B is no longer the preferred alternative.  
3  
4 **Jim Stoffer, WSDDA;** commented on the selection of the preferred alternative, encouraging the  
5 Board to select Alternative B.  
6  
7 **Will Miller, Timber Manager for Buse Timber;** commented on the selection of the Preferred  
8 Alternative.  
9  
10 **Kendra Smith, Skagit County;** spoke about selection of the preferred alternative and  
11 encouraged the Board to support Alternative B.  
12  
13 **Dianne Meyers, NW Forest Law;** spoke about the selection of the preferred alternative and the  
14 Board obligations under the HCP.  
15  
16 **Eric Brown, Chairman for the Whatcom Mountain Bike Coalition;** spoke to the Board on  
17 recreation lands and encouraged the Board to please keep the recreation aspect in mind when  
18 selecting the preferred alternative.  
19  
20 **Matt Comisky, American Forest Resource Council;** shared concerns on the preferred  
21 alternative for Riparian Management and with Table 1.  
22  
23 **Kara Whitaker, WFLC;** spoke to the selection of the preferred alternative and asked the Board  
24 to encourage DNR staff to analyze the conservation alternative.  
25  
26 **Paul Bialkowsky, Timber Manager for Interfor Port Angeles;** spoke about the Riparian  
27 Forest Management Strategy and suggests the riparian volume be included in the SHC.  
28  
29 **Ariane Jaco, WEC;** spoke to the MMLTCS and expressed hope of a better conservation  
30 strategy for the marbled murrelet.  
31  
32 **Shawn Cantrell, NW Defenders of Wildlife;** spoke about the HCP and the significant  
33 contribution expected of the DNR. Asking for, at the least, no significant harvest for the next 5-  
34 10 years.  
35  
36 **Peter Goldman, WFLC, representing Marbled Murrelet Coalition;** spoke to the MMLTCS  
37 and expressed hope on the selection of a different alternative.  
38  
39 **Connie Beauvais, Port Commissioner, Port of Port Angeles;** shared their concern on the  
40 process and that it is now unlikely Alternative B will meet the criteria. She made a public records  
41 request for all documents regarding this topic.  
42  
43 **Doug Cooper, Hampton Timber;** spoke about the selection of the preferred alternative and  
44 echoed the questions of the previous commenter. He reminded the Board of their fiduciary  
45 obligations and to do the minimum required under the HCP.  
46

1 **Miguel Perez-Gibson, WEC**; spoke about the selection of the preferred alternative for the  
2 MMLTCS and arrearage, and the Solutions Table.

3  
4 **Carol Johnson, NOTAC**; spoke about the negative impact to trust beneficiaries no matter what  
5 alternative is selected.

6  
7 **Scott Swanson, WSAC**; spoke to the selection of the preferred alternative and its impact to the  
8 counties.

9  
10 **Dan Cothren, Wahkiakum County Commissioner**; spoke to the preferred alternative options  
11 and asked the Board to follow their fiduciary obligations. He shared frustrations on past  
12 decisions of the Board, which negatively impacted his county, and asked the Board to keep in  
13 mind the economic impact to the counties.

14  
15 Commissioner Franz adjourned for a break and reconvened the meeting at 11:06 AM

16  
17 **CHAIR REPORT (Action Items)**

18 **Selection of the Preferred Alternative for the Marbled Murrelet Long-term Conservation**  
19 **Strategy and Sustainable Harvest Calculation**

20 Angus Brodie, Deputy Supervisor for State Uplands

21  
22 Mr. Brodie gave the chair report on the marbled murrelet and the sustainable harvest calculation.  
23 His agenda included selecting three preferred alternatives: arrearage, riparian harvest, and the  
24 marbled murrelet long-term conservation strategy. Mr. Brodie described the next steps the  
25 Department would take after these decisions, including the preparation of a Supplemental Draft  
26 Environmental Impact Statement (SDEIS) and the development of a draft Habitat Conservation  
27 Plan (HCP) amendment. Before getting into the decisions, Mr. Brodie reviewed some of the  
28 department's work in the last month.

29  
30 The first topic discussed was arrearage. Mr. Brodie reminded everyone that an arrearage action is  
31 a legal requirement. He then showed last decade's arrearage numbers and discussed the options  
32 the Board has looked at to-date. There was agreement that the arrearage volume for the last  
33 decade FY2005-FY2014 was 462 MMBF, but that the Board's action to address the deficit could  
34 be handled separately. He noted that recently DNR has presented the staff recommendation as  
35 702 MMBF. He then explained staff's decision to change their preferred alternative, based on the  
36 consideration of land transfers, specifically trust land transfers in Common School Trust and the  
37 state forest land reconveyance in Whatcom County, in the last planning period. Accounting for  
38 the land transfer as "vital harvests" and adding this volume to the corresponding sustainable  
39 harvest units, the Federal Granted Trusts & State Forest Purchase unit and the Whatcom unit)  
40 reduced the deficit volume to 382 mmbf. This was the new staff preferred alternative.

41  
42 During Board discussion Commissioner Peach shared concerns with overharvesting, establishing  
43 policy on arrearage and the balance of revenue between common schools and county.

44 Mr. Brodie requested a selection of the Preferred Alternative on Arrearage:

45  
46 Chair Franz asked for a motion on the following:

1 The Board directs the Department staff to develop and analyze a preferred alternative that  
2 addresses the arrearage volume of 462 million board feet and meets the following criteria:

- 3 • Address the trust and beneficiary revenue impacts caused from the shortfall of harvest  
4 in the sustainable harvest units with deficits
- 5 • Add the volume that was transacted through Trust Land Transfer or state forest lands  
6 reconveyance program to the sold volume for each sustainable harvest unit for the  
7 decade 2005-2014. The resulting total shortfall of volume from sustainable harvest  
8 units with deficits would be 382 MMBF.
- 9 • Ensures that the harvest of the remaining deficit timber volume is accomplished  
10 consistent with all department existing policies, procedures and management  
11 guidelines

12  
13 MOTION: Superintendent Reykdal moved to approve the proposed motion.

14  
15 SECOND: Commissioner Peach seconded the motion.

16  
17 ACTION: The motion was approved unanimously

18  
19 Chair Franz proposed a separate motion to direct staff to develop policies for the Board's  
20 consideration on how to consistently calculate and address arrearage:

21  
22 The Board recognizes that it does not have a policy of arrearage and therefore directs  
23 department staff to develop policies for the Board's consideration on how to consistently  
24 calculate and address arrearage.

25 MOTION: Dean Mittelhammer moved to approve the proposed.

26  
27 SECOND: Director Van Volkenburgh seconded the motion.

28  
29 ACTION: The motion was approved unanimously

30  
31 Mr. Brodie then began the section on riparian harvest. He described that the reason riparian  
32 needs to be appropriately addressed is because it is important for DNR to set expectations around  
33 what the Department is able to harvest. He reminded the Board that the day's decision is not  
34 whether or not DNR will harvest in riparian areas, it is how those harvests should be represented  
35 in the calculation. The decision to harvest is based upon the Department's HCP Riparian Forest  
36 Restoration Strategy.

37  
38 Mr. Brodie then presented the options that have been discussed. He showed the staff  
39 recommendation, which is to base riparian harvests on their ecological value and to not include  
40 the target within the sustainable harvest level.

41  
42 Superintendent Reykdal asked about a scenario that allows the sustainable harvest level to be set  
43 and then add a level for riparian.

1 Mr. Brodie requested a selection of the Preferred Alternative on Riparian as follows:

2  
3 The Board directs the Department staff to develop and analyze a preferred alternative that  
4 assumes no riparian harvest volume is included in the sustainable harvest level for next  
5 decade starting in fiscal year 2015 and ending in fiscal year 2024

6  
7 MOTION: Dena Mittelhammer moved to adopt the staff recommendation.

8  
9 SECOND: Commissioner Peach seconded the motion.

10  
11 ACTION: The motion was approved by 5-1; with Superintendent Reykdal voting  
12 against the motion.

13  
14 Mr. Brodie then began the part of the presentation around the marbled murrelet long-term  
15 conservation strategy. He began by describing that the need for the long-term strategy is to move  
16 off the temporary, interim strategy that has been in place for approximately 20 years. He then  
17 talked through the permit issuance criteria that has to be met in order to amend the HCP. He then  
18 walked through the staff recommended alternative, discussing the strategies it utilizes and the  
19 reason staff included each component into the strategy.

20  
21 The staff recommended alternative and the DEIS alternatives A-F were shown in a table,  
22 comparing their suspected likelihood of meeting the issuance criteria, as well as their estimated  
23 financial impact and their estimated long-term forest cover acreage. He clarified that this table  
24 showed staff's estimate, based on past work and discussion with the Board, the DEIS, and the  
25 public. A full analysis of the preferred alternative will occur during the next steps, including the  
26 SDEIS.

27  
28 Commissioner Peach shared concerns with the mitigation/analysis impacts and that Alternative B  
29 should be included. He also noted concerns with setting aside the "no touch areas" due to the  
30 impacts to the counties already in poverty.

31  
32 Mr. Brodie requested approval of the Preferred Alternative on MMLTCS as follows:

33  
34 The Board directs the Department staff to develop, analyze and submit for application a  
35 preferred alternative based upon the staff's recommendation to:

- 36
- 37 • Minimize impacts
    - 38 ○ Conserves all existing occupied sites
    - 39 ○ Capture existing habitat within conservation areas
    - 40 ○ Meters habitat in strategic locations
  - 41 • Offset impacts and address uncertainty
    - 42 ○ Apply buffer of occupied sites
    - 43 ○ Locate conservation areas in strategic locations
    - 44 ○ Increase interior forest
  - 45 • Reduce disproportionate financial impacts



1 And achieve the following goals:

- 2 • Complies with ESA and 1997 State Trust Lands Habitat Conservation Plan,
- 3 • Reduces the short-term impacts of take by using strategies such as metering of
- 4 harvest of habitat until habitat in long-term forest cover develops,
- 5 • Appropriately mitigates uncertainties and risks associated with the long-term habitat
- 6 conservation strategy and,
- 7 • Ensures no trust or beneficiary are unduly impacted.

8  
9 MOTION: Director Van Volkenburgh moved to approve the staff recommendation as  
10 proposed of the alternative on the MMLTCS.

11  
12 SECOND: Dean Mittelhammer seconded the motion.

13  
14 ACTION: The motion was approved 5-1, with Commissioner Peach voting against  
15 the motion.

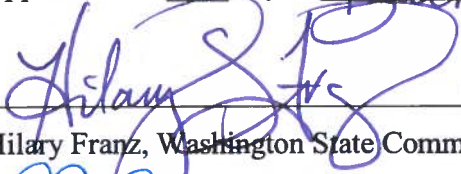
16  
17 Commissioner Peach stated there is a need to conduct an evaluation of mitigation/impact  
18 analysis of the past 20 years and requests that staff conduct a review.

19  
20 During Board discussion Dean Mittelhammer noted that the preferred alternative minimizes the  
21 disproportionate impacts on counties and maximizes the Net Present Value (NPV), in addition to  
22 addressing short term impacts.

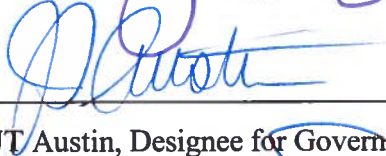
23  
24 Superintendent Reykdal noted the staff recommendation has a NPV that moves close to  
25 alternative B but provides forest cover. This shows a movement towards a middle ground, which  
26 is the job of the Board. He stated his support of exploring areas where we can gain additional  
27 value without impacting species (i.e. riparian).

28  
29  
30  
31 Meeting adjourned at 1:58 PM.

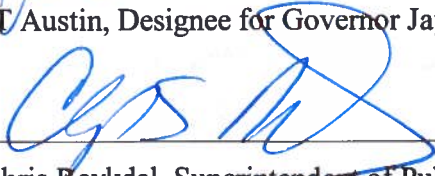
Approved this 5<sup>th</sup> day of December, 2017



Hilary Franz, Washington State Commissioner of Public Lands



JT Austin, Designee for Governor Jay Inslee



Chris Reykdal, Superintendent of Public Instruction



Bill Peach, Commissioner, Clallam County

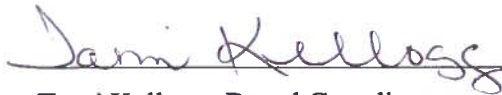
Approved via conference call

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



Elizabeth Van Volkenburgh, Interim Director, School of Environmental and Forest Sciences,  
University of Washington

Attest:



Tami Kellogg, Board Coordinator