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# Minutes

## Board of Natural Resources Meeting

July 7, 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

*(via conference call)*

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

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, with Director DeLuca  
4 participating via conference call.

5

### 6 SAFETY REVIEW

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

9

### 10 APPROVAL OF MINUTES

11 Chair Goldmark called for approval of the minutes for the June 2, 2015 Regular Board of Natural  
12 Resources Meeting.

13

14 MOTION: Dean Mittelhammer moved to approve the minutes.

15

16 SECOND: Ms. Austin seconded the motion.

17

18 ACTION: The motion was approved unanimously.

19

### 20 PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS

21 None.

22

1 **TIMBER SALES (Action Items)**

2 **Proposed Timber Sales for August & September 2015| 3 handouts**

3 Tom Shay, Product Sales & Leasing Division

4  
5 Mr. Shay presented the results of the June auctions to the Board. The Department offered 20  
6 sales totaling 78.2 MMBF in June. All sales sold, totaling \$20.6 million for an average of \$264  
7 per MBF.

8  
9 Mr. Shay remarked that markets were beginning to improve from their seasonal lows in June and  
10 that the dry weather was reducing log supply, further increasing demand.

11  
12 The proposed August sales were then presented to the Board.

13  
14 MOTION: Dean Mittelhammer moved to approve the proposed August 2015 sales.

15  
16 SECOND: Commissioner McEntire seconded the motion.

17  
18 ACTION: The motion was approved unanimously.

19  
20 Mr. Shay presented the proposed September sales to the Board.

21  
22 Dean Mittelhammer inquired as to the larger volume of sales in August as opposed to September  
23 and Mr. Shay responded that a number of Eastside sales were included in the August proposals,  
24 which is typically a good month for selling volume in that area.

25  
26 MOTION: Commissioner McEntire moved to approve the proposed August 2015 sales.

27  
28 SECOND: Ms. Austin seconded the motion.

29  
30 ACTION: The motion was approved unanimously.

31  
32 **PUBLIC COMMENTS FOR BOARD ON GEOGRAPHIC NAMES (ACTION ITEMS)**

33 None.

34  
35 **BOARD ON GEOGRAPHIC NAMES (ACTION ITEMS)**

36 Caleb Maki, Executive Secretary, Board on Geographic Names

37  
38 Mr. Maki presented the following name proposal, recommended by the Committee on  
39 Geographic Names, for consideration to the Board on Geographic Names:

40  
41 **Name Proposal: Criss Creek**

42  
43 MOTION: Superintendent Dorn moved to approve.

44  
45 SECOND: Commissioner McEntire seconded the motion.

46  
ACTION: The motion was approved unanimously

1 **PUBLIC COMMENTS FOR AQUATICS RENT APPEAL (ACTION ITEMS)**

2 None.

3  
4 **AQUATICS RENT APPEAL (ACTION ITEMS)**

5 Christa Thompson, Assistant Attorney General

6  
7 Ms. Thompson reviewed the process for appealing rent charged under aquatic lands leases under  
8 WAC 332-30-128. A lessee may appeal to the Rental Dispute Officer, the Rental Dispute  
9 Appeals Officers (RDAO), and to the Board. The Board must first decide whether it will hear  
10 the appeal. If the Board decides not to hear the appeal, the decision of the RDAO becomes  
11 DNR’s final decision and the lessee may seek review in Superior Court. If the Board decides to  
12 hear the appeal, then the lessee and DNR staff will submit written statements, and at the Board’s  
13 option, oral statements. The Board will act like a court rather than a legislative body, and must  
14 avoid *ex parte* communications with DNR staff and the lessee. Another AAG (screened from  
15 aquatics matters) will advise the Board on substantive legal issues.

16  
17 Chair Goldmark requested a motion to decline review of this particular matter.

18  
19 MOTION: Commissioner McEntire moved to decline review.

20  
21 SECOND: Ms. Austin seconded the motion.

22  
23 ACTION: The motion was approved unanimously.

24  
25 **PUBLIC COMMENTS FOR CHAIR REPORT**

26 Amy Imsdahl, student at the University of Washington, representing the Washington  
27 Environmental Council, stated that she believes the best way to protect the marbled murrelets is  
28 to discontinue logging within their nesting sites and establish a protective buffer of 150 meters  
29 around the occupied habitat.

30  
31 Cady Moris, representing the Washington Environmental Council, stated that the Board needs to  
32 take action to protect and restore our state forests. Ms. Moris urged the Board to not log in the  
33 marbled murrelet management areas until the long-term conservation strategy is complete.

34  
35 Melinda Craig, Evergreen State College student, stated that she understands the Board has  
36 fiduciary responsibilities, but believes protecting the marbled murrelets and our state forests is  
37 very important.

38  
39 Steve Courtney, the Timber Procurement Manager for Interfor’s Northwest mills, spoke about  
40 the arrearage from the sustainable harvest levels for 2004-2014. Mr. Courtney asked the Board  
41 to 1.) Ensure the arrearage volume is accurate, 2.) Examine the cause of the arrearage by region,  
42 3.) Do the analysis on how to best sell the arrearage, and 4.) Ensure DNR can implement the  
43 sales program, including arrearage.

44  
45 Linda Murtfeldt, representing the Seattle Audubon, spoke about the importance of protecting the  
46 marbled murrelets.

1 Wyatt Golding, with the Washington Forest Law Center, representing the Olympic Forest  
2 Coalition, the Sierra Club, and Seattle Audubon, spoke about the arrearage. Mr. Golding  
3 expressed that the conservation communities continue to support the DNR's preferred plan. He  
4 urged the Board to consider where the arrearage volume would come from and how it compares  
5 to where it was planned to come from.  
6

7 David Marshall, representing Sierra Industries, spoke about his concerns regarding the DNR not  
8 meeting its annual target set by the Westside Sustainable Harvest Calculation. In FY14, DNR  
9 offered 510.8 MMBF statewide, while the target was 550 MMBF for the FY05-FY14. The  
10 beneficiaries rely on the timber harvest and failure of DNR to harvest these volumes will impact  
11 the services they provide. Mr. Marshall urged the Board to direct DNR to put to auction the  
12 sustainable harvest calculation adopted level of 550 MMBF per year.  
13

14 Rod Fleck, City Attorney for Folks, spoke about his concerns regarding the arrearage. Mr. Fleck  
15 does not believe that the trust land transfer would have been properties identified in the 2004-  
16 2007 harvest calculation. Mr. Fleck urged the Board to have a candid discussion about why the  
17 volume is not being met.  
18

19 Matt Comisky, Washington Manager for AFRC, urged the Board to dig into the root causes of  
20 the arrearage and avoid falling into potentially false assumptions. He remarked that AFRC  
21 recommends the Board and staff to include the development of firm timelines for completion of  
22 the arrearage analysis and for offering arrearage sales; and that they have an action plan to  
23 accomplish the task.  
24

25 Kevin Schmelzlen, with the Marbled Murrelet Survival Project, spoke about the declining  
26 population of the marbled murrelets.  
27

28 John Anderson, Resource Manager for Northwest Hardwood, spoke about log shortage and the  
29 impacts on jobs and family.  
30

31 Ann Forest Burns, Vice President of AFRC, urged the Board to complete the marbled murrelet  
32 long-term conservation strategy without further delay. Ms. Burns expressed that AFRC supports  
33 running the sustainable harvest calculation parallel to the marbled murrelet long-term  
34 conservation strategy.  
35

36 Art Wang, President of Tahoma Audubon Society, echoed the importance of completing the  
37 marbled murrelet long-term conservation strategy.  
38

### 39 **CHAIR REPORT**

#### 40 **Marbled Murrelet and Sustainable Harvest Calculation**

41 Kyle Blum, Deputy Supervisor for State Uplands  
42

43 Mr. Blum provided an update on the Marbled Murrelet Long-term Conservation Strategy. He  
44 stated that he was scheduled to have outputs from Professor Zach Perry, Ph.D. and due to some  
45 adjustments that needed to be made the outputs will be delayed by a couple of weeks.  
46  
47

1 **Sustainable Harvest Calculation**

2 Mr. Blum presented information that reviewed some of the causes of the arrearage volume. Mr.  
3 Blum reviewed the purpose of the arrearage subcommittee. He stated the purpose as determining  
4 the arrearage number, providing options to the Board to pursue an economic and environmental  
5 analysis and determining a course of action for the arrearage.

6  
7 Mr. Blum presented five specific questions or analysis requests that the arrearage subcommittee  
8 wanted to explore. The first thing the subcommittee wanted to understand was what we have  
9 done in the past for the arrearage. The second question was to determine the planning horizon the  
10 industry uses for log supplies, for both long and short term. The third question is to understand  
11 the research on the best times to sell an arrearage. The fourth analysis question is to look at  
12 additional analysis on the economic factors of an arrearage. The fifth analysis request was to  
13 look at additional analysis on the impacts to the Department and future harvests if the arrearage  
14 was sold.

15  
16 Dean Mittelhammer asked what the options will be if the economic analysis is not completed by  
17 the August deadline?

18  
19 Mr. Blum responded by stating that additional conversations with our purchasers about timing  
20 and the staffing levels are needed. Then the Board will be able to identify a range of options;  
21 once DNR staff do a more thorough analysis the Board will have a range of options to pick  
22 from.

23  
24 Dean Mittelhammer asked about the plan for doing an economic analysis and how the industry  
25 will react to an additional 450 MMBF being put on the market. He stated that we cannot do it  
26 without embracing the industry to get their input, and that he believes this is an economic  
27 dynamic type of problem.

28  
29 Mr. Blum agreed with Dean Mittelhammer that the purchasing communities know their business  
30 best. He stated that he is not concerned about the outcome as the total volume can fluctuate  
31 greatly from year to year and does not feel it will have a substantial impact. He also noted that  
32 DNR will continue to communicate with the industries to get more details. Mr. Blum expressed  
33 that he believes the volume will sell and that DNR has positioned itself to be successful.

34  
35 Dean Mittelhammer expressed that he too believes it will sell, but at what price and are we  
36 paying attention to our fiduciary responsibility?

37  
38 Chair Goldmark remarked that we first need to confront if the arrearage is really available for  
39 harvest.

40  
41 Superintendent Dorn asked if the 550 MBF target is realistic. Mr. Blum stated that if you are  
42 asking if we change the target that the new number will come 50 million short of that, he does  
43 not believe that to be the case. He added that his internal deliverables in terms of volume for  
44 FY15 did not add up to 550 MBF.

45  
46 Mr. Blum noted that we have gone through a thorough review of why the expenditures have  
47 gone up but the volume has not corresponded. He expressed that the department is taking

1 concrete steps to help increase productivity levels. Ms. Austin asked where in the forest did the  
2 arrearage come from? Mr. Blum answered that he hopes Director DeLuca and Commissioner  
3 McEntire will bring forward those options to the Board, but a significant amount came from  
4 projected riparian volume and volume in marbled murrelet related areas.  
5

6 Ms. Austin then asked where in the forest the arrearage volume will be obtained if we go that  
7 direction? Mr. Blum responded that he cannot preempt the Board's decision on this. If the Board  
8 decides to harvest the arrearage, it also has the discretion to decide where the volume comes  
9 from. The Board could say "here's our number and here are the beneficiaries, go get it where and  
10 how you can." Different choices will have different influences on the baseline calculation.  
11

12 Ms. Austin asked if an economic analysis has been done on if the arrearage was attained how it  
13 would do on the market and another analysis on environmental impacts. Mr. Blum answered that  
14 we would do an EIS where the Board has blessed a range of options for DNR staff to analyze is  
15 where we would make that assessment.  
16

17 Commissioner McEntire stated that today's meeting was what he hoped for as they work their  
18 way through the arrearage subcommittee discussions.  
19

20 Chair Goldmark echoed Commissioner McEntire, and concluded that the Board has to be very  
21 careful with their assumptions and be cautious about them.  
22

### 23 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

24 Cheryl Heywood, Library Director, representing the Timberland Regional Library, stated that as  
25 a trust beneficiary, since the beginning of the year the library has received over \$80K, and 75%  
26 of it primarily goes into services and staffing. Ms. Heywood encouraged the Board to learn more  
27 about the programs offered at the Timberland Regional Library.  
28


29 Wyatt Golding, with the Washington Forest Law Center, representing the Olympic Forest  
30 Coalition, the Sierra Club, and Seattle Audubon, spoke about his concerns regarding salvage  
31 logging in the Carlton Complex fire burn area in the Mattawa Valley. Mr. Golding remarked  
32 that he believes it has environmental impacts, human economic impacts, and human impacts.  
33

34 Russ Pfeiffer-Hoyt, Chair of the Washington State School Directors' Association Trust Land  
35 Task Force, stated that Common School Trust revenue is dependent on the wood processing  
36 industry. It is important to help foster conditions that continue to ensure multiple purchasers  
37 continue to bid on DNR timber sales. Mr. Pfeiffer-Hoyt urged the Board and DNR to complete  
38 the marbled murrelet long-term conservation strategy and the new sustainable harvest calculation  
39 as it would bring greater predictability to the log supply.  
40

41 Rod Fleck, City Attorney for Folks, spoke about his concerns regarding the closures of mills in  
42 the Northwest corner of the North Olympic Peninsula. Mr. Fleck asked the Board what it will  
43 take for leadership to take the necessary steps to address the problem around the lack of timber  
44 supply in the rural communities. He stated that they need the Board to take a position to address  
45 this as a crisis.  
46

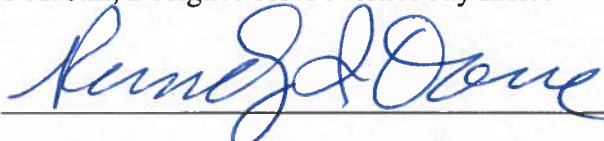
47 Meeting adjourned at 10:45 AM

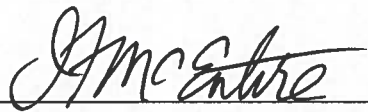
Approved this 18<sup>th</sup> day of August, 2015

  
\_\_\_\_\_  
Peter Goldmark, Washington State Commissioner of Public Lands

not present - N/A

JT Austin, Designee for Governor Jay Inslee

  
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Randy Dorn, Superintendent of Public Instruction

  
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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:  
  
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Sarah Vansot, Board Coordinator  
Meagan Gillum, interim Board Coordinator



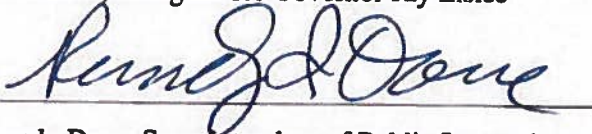


Approved this \_\_\_\_ day of \_\_\_\_\_, 2015

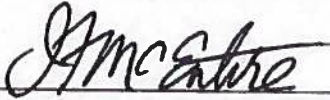


Peter Goldmark, Washington State Commissioner of Public Lands

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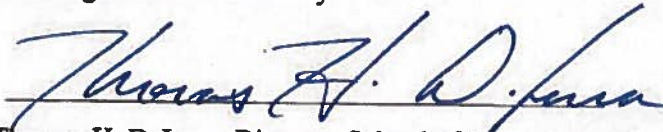


Randy Dorn, Superintendent of Public Instruction



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

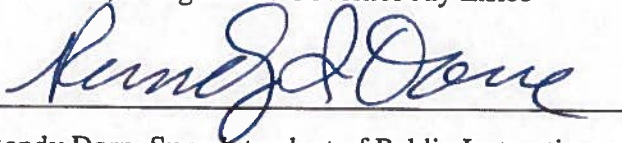


Approved this \_\_\_\_ day of \_\_\_\_\_, 2015

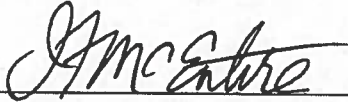


Peter Goldmark, Washington State Commissioner of Public Lands

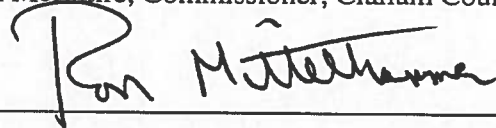
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Ron Mittelhammer, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University

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

Attest:

\_\_\_\_\_  
Sarah Vansot, Board Coordinator

