
Minutes

Board of Natural Resources Meeting

June 2, 2020
Webinar, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

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

The Honorable Chris Reykdal, Superintendent of Public Instruction – *joined at 9:22*

Jim Cahill, Designee for the Honorable Jay Inslee, Washington State Governor

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University – *joined at 10:06*

1 **CALL TO ORDER**

2 Chair Franz called the meeting to order at 9:02 AM.

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4 **WEBINAR FORMAT BRIEFING**

5 Ms. Anderson provided an overview of conducting the meeting via Webinar.

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7 All Board members introduced themselves via Webinar and conference call. Chair Franz noted
8 there was a quorum for the meeting.

9

10 **APPROVAL OF MINUTES**

11 Chair Franz called for approval of the minutes for October 1, 2019 and May 5, 2020 Regular
12 Board of Natural Resources Meetings, and the November 20, 2019 Special Board of Natural
13 Resources Meeting.

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15 Chair Franz called for a motion on the October 1, 2019 Regular Meeting Minutes.

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17 MOTION: Mr. Cahill moved to approve the minutes for October 1, 2019.

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19 SECOND: Director Brown seconded the motion.

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21 ACTION: The motion carried unanimously.

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Chair Franz called for a motion on the November 20, 2019 Special Meeting Minutes.

MOTION: Director Brown moved to approve the minutes for November 20, 2019.

SECOND: Mr. Cahill seconded the motion.

ACTION: The motion carried unanimously.

Chair Franz called for a motion on the May 5, 2020 Regular Meeting Minutes.

MOTION: Commissioner Peach moved to approve the minutes for May 5, 2020.

SECOND: Director Brown seconded the motion.

ACTION: The motion carried unanimously.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Irene Nash, resident of Goldbar WA, spoke about the future of outdoor recreation-based economy in Goldbar and voiced concerns with the Middle May timber sale. She stated that citizens in the area do not want the timber sale to go forward. She noted that the city passed a resolution stating they are against heavy logging in the area, and that there is opportunity to generate revenue through outdoor recreation. She urged the Board to please consider recreation as generating revenue in the long-term future of Goldbar.

Mike Nash, resident of Goldbar, WA, spoke about recreation potential in Snohomish County. He also voiced concerns with revenue generation of timber, stating that overall, recreation will bring in more revenue and sustainable income in the long term.

Beverly Parsons, resident of Hansville, WA, stated that she is an active member of KEC. Ms. Parsons thanked the Commissioner for her message on systemic racism. She then spoke about the Climate Resiliency Plan and asked about the creation of the Equity and Environmental Justice Committee by 2020, as noted in the Climate Resiliency Plan. She stated that if the committee has been established, it should include all races, indigenous, immigrant and low income communities. She also noted that portions of the Plan sound too bureaucratic and do not seem to engage with real people. She suggested staff work with community organizers to engage all indigenous, immigrant and low income people.

Ed Bowen. Due to audio issues, Mr. Bowen was unable to comment.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS

Matt Comisky, Washington Manager, AFRC, expressed his appreciation of the Department continuing to bring timber sales forward, specifically in eastern Washington. He spoke about the difference in value between the westside and eastside timber sales, and how AFRC would like to see better balance throughout the year. He also noted that lumber prices are up compared to this time last year.

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2 **Doug Cooper, Vice-President of Resources, Hampton Lumber**, spoke about the continued
3 execution of the timber sales program, which in turn has allowed them to continue to operate. He
4 noted that access to timber sales is critical to the continued success of Hampton Lumber,
5 Washington State, and the forest product industry. He also noted the need for revenue generation
6 for the trust beneficiaries.

7
8 **Ed Bowen.** Due to audio issues, Mr. Bowen was unable to comment.

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10 **TIMBER SALES (Action Item)**
11 **Proposed Timber Sales for July 2020 | 3 handouts, including the presentation**
12 Patrick Ferguson, Product Sales & Leasing Division

13
14 The results of the May 2020 auctions were presented to the Board by Mr. Ferguson. The
15 Department offered 16 sales totaling 65.6 mmbf. 15 sales sold totaling \$11.9 million for an
16 average of \$215 per mbf with 2.2 bidders per sale on average. Mr. Ferguson noted that the
17 presentation had been corrected to remove reoffered sorts from the results data.

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19 Mr. Ferguson asked for questions. There were none.

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21 Mr. Ferguson then presented proposed sales to be offered in July 2020 to the Board.

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23 Mr. Ferguson asked for questions. There were none.

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25 Mr. Ferguson asked for approval of the proposed sales as presented.

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27 Chair Franz called for a motion to approve the proposed timber sales.

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29 MOTION: Commissioner Peach moved to approve the proposed sales.

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31 SECOND: Director Brown seconded the motion.

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33 ACTION: The motion carried unanimously.

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

36 **Matt Comisky, Washington Manager, AFRC**, expressed his appreciation that the Department
37 is seeking out opportunities to reinvest in forest lands that are manageable, and rolled into the
38 trust land program.

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40 **LAND TRANSACTION (Action Items)**

41 **Lake Merwin 160, No. 08-100429; Resolution #1565**

42 Robin Hammill, Conservation, Recreation, and Transactions Division

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44 Ms. Hammill presented the Lake Merwin 160 purchase to the Board. She stated that the property
45 is located in northern Clark County, just south of Lake Merwin and about 15 miles east of the
46 City of Woodland. The 160-acre property consists of approximately 50/50 site class 2 and 3
47 soils and the timber on the property is a mix of 20-35 year old Douglas fir and Red alder. The

1 property is zoned FR-80, which according to Clark County is the purpose “to maintain and
2 enhance resource based industries, encourage the conservation of productive forestland and
3 discourage incompatible uses.” The purchase price is \$600,000 and the sellers are private
4 landowners. The funding for this acquisition comes from the Real Property Replacement
5 Account using funds for acquiring replacement Common School Trust property.
6

7 Mr. Cahill asked about it being located next to a lake, and though zoned forestry, how does it
8 interact with the potential future use of the property. Ms. Hammill displayed the parcel on a map.
9 She explained the property is owned by Pacific Power and Light, and cannot be developed. She
10 added that current zoning prevents commercial development in the areas indicated. Also noted
11 was the property across the lake, which is also owned by Pacific Power and Light, and is part of
12 the agreement with FERC to keep the license for the dam.
13

14 Commissioner Peach asked what portion of the 160 acres are harvestable. Ms. Hammill stated
15 that 138 acres are operable in the area.
16

17 Ms. Hammill concluded by asking the Board to approve Resolution 1565.
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19 Chair Franz called for a motion.
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21 MOTION: Commissioner Peach moved to approve Resolution 1565.
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23 SECOND: Director Brown seconded the motion.
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25 ACTION: The motion carried unanimously.
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27 **APPROVAL OF ACTING DEPARTMENT SUPERVISOR**
28 **Resolution #1566**
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30 Chair Franz prefaced the next action by reminding the Board of the role of the Department
31 Supervisor, and informing them that Kathryn Taylor has been selected to fill this position. She
32 stated that Lenny Young is stepping in as acting until the new Department Supervisor comes on
33 board, June 16, 2020.
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35 Chair Franz called for a motion to approve Resolution 1566.
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37 MOTION: Commissioner Peach moved to approve Resolution 1566.
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39 SECOND: Mr. Cahill seconded the motion.
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41 ACTION: The motion carried unanimously.
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1 **APPROVAL OF THE DEPARTMENT SUPERVISOR**

2 **Resolution #1567**

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4 Chair Franz stated that Kathryn Taylor has been selected as the Department Supervisor, and
5 provided a brief overview of her work history. She restated that Katy starts with the Department
6 on June 16, 2020.

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8 Chair Franz called for a motion to approve Resolution 1567

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10 MOTION: Director Brown moved to approve Resolution 1567.

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12 SECOND: Dean Wright seconded the motion.

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14 ACTION: The motion carried unanimously.
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17 **PUBLIC COMMENTS FOR CHAIR REPORT**

18 **Matt Comisky, Washington Manager, AFRC**, spoke about the Board’s work plan. He shared
19 his concerns that the Eastside SHC process is moved to later in the work plan, as it is behind
20 schedule in eastern Washington, and the delay has raised concerns with DNR certification. He
21 also spoke about the climate and carbon work plan, and reminded the Board of the policy
22 statements that came out of the legislature and the Governor’s Office on active forest
23 management, as related to carbon sequestration storage. He also shared that he is working on an
24 idea for increasing revenue for recreation activities, which would involve a more substantial pay
25 to play process.

26
27 **CHAIR REPORT**

28 **Board of Natural Resources Work Plan**

29 Angus Brodie, Deputy Supervisor for State Uplands
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31 Mr. Brodie stated he will review the proposed long and short term work plan, and provide an
32 update on the Trust Land Performance Assessment (TLPA) and the Climate and Carbon Work
33 Plan within the Agency’s state trust lands program.
34

35 He shared the multi-year work plan, noting the themes of TLPA, to complete in 2020, and
36 modernizing trust land management in 2021. He noted the latter may involve changes in
37 legislation, updating the Policy for Sustainable Forests (PSF) and the Asset Stewardship Plan,
38 which was finalized 1998. He also shared plans to take a look at governance and funding that is
39 related to administrative charges on trust land management.
40

41 Mr. Brodie described the initiation of the public process, with scoping and EIS work, on the
42 westside and eastside SHC for 2022, with decisions in 2023, and a new SHC by 2024. He noted
43 all steps are major pieces of work. He stated that even though there is a focus on timber, it will
44 also provide an opportunity to look at the other assets classes of the Department.
45

46 Mr. Brodie then reviewed the timeline for work and accomplishments, month by month, for the
47 remainder of 2020.

1
2 Chair Franz asked for questions or comments from the Board, and noted the constraints the
3 Department has been under due to COVID-19, and how we are making sure we are able to
4 continue our mission within the context of COVID-19 limitations. She noted that TLPA is one of
5 her priorities, and that it will be informative and enlightening. She stated it will help to ensure we
6 are managing lands in a sustainable way, while generating revenue for our beneficiaries. She
7 shared that completing the climate resiliency plan early this year has set up the frame work for
8 driving down through our programs how we will bring climate impacts seen today and in the
9 future into our decision making, as well as the context of carbon sequestration opportunities for
10 mitigating and creating more resilient plans.

11
12 Mr. Cahill noted the review on legislative requests in September and asked that the Board have a
13 check in on those requests in November.

14
15 Mr. Brodie then moved on to provide an update on the Trust Land Performance Assessment
16 Project. He reminded the Board of the purpose of the assessment, who the Department contracted
17 with for this work, and that there is an RCW that requires periodic review of these plans. He also
18 noted that funding was received from the Legislature in ESSB 6095, which included a proviso
19 for the data analysis, constraints, and evaluation, and then reporting back to the legislature. He
20 shared the components of the report and noted that the report is about 500 pages, and is very
21 dense. It is quite detailed and fairly unique. He also noted that the report was due at the end of
22 June, however, due to COVID-19, the report has been delayed until November 1, 2020. Due to
23 the delay, the Department has asked Deloitte to add information on the impacts of COVID-19
24 now and in the future.

25
26 Chair Franz spoke briefly on the purpose of this request, which is informing of the work the
27 Department does and the mission of sustainable management for future economies, and shared
28 that the delay allows for a more robust report.

29
30 Director Brown commented on consideration of the benefits of the trust lands performance. He
31 observed the need to think about if we are maximizing return to the beneficiaries in terms of
32 revenue, and that as you add in an assessment of recreation services, it becomes a different
33 dimension of assessment on economic return to the beneficiaries. He stated that we heard about
34 maybe adding recreation as a pay to play plan and to continue to put that in the same metric as
35 defined. He asked how the report will incorporate the different dimensions of economic impact,
36 as we move to management recommendations.

37
38 Mr. Brodie replied that the different asset classes that the report covers are looking at a straight
39 forward financial return and what you would expect from a typical evaluation or performance
40 evaluation. The consideration is what these lands provide to Washington State, noting that these
41 metrics, providing recreation, etc., are often not marketable. It will an interesting discussion on
42 whether there are opportunities to monetize some services, or maybe these are services for which
43 the state should compensate the trust.

44
45 Chair Franz added that we shouldn't be looking at this report as the only informational source on
46 how we manage lands. She spoke about working with Earth Economics, who is providing
47 additional information that will be provided to the Board. She touched briefly on carbon and

1 carbon sequestration, which are also elements that will help inform the Board with decision
2 making on policy.

3
4 Mr. Cahill asked what Earth Economics is doing as part of the project.

5
6 Mr. Brodie replied that they are providing valuation on recreation and ecosystem services. Also
7 additional work is being done, due to extra funding from the Bullitt Foundation, on how an
8 organization might go forward to try to monetize those services. Discussion followed on
9 information from Earth Economics and the elements of the report.

10
11 Mr. Brodie then moved on to provide detail on the work that has already taken place, and the
12 future work to be done on climate and carbon. He explained how the Department transferred
13 results from the risk assessment into actions of the Department. He went on to describe the
14 elements of the Department's focus while keeping in mind the long-term impacts and benefits
15 (see slide 7).

16
17 Chair Franz noted that the Climate Resilience Plan applies to all programs within the Department
18 and not just state uplands. The Department is leveraging the information from the Climate Risk
19 Assessment and what the science shows, and it is to be incorporated in our decision making,
20 keeping in mind impacts both short and long term.

21
22 Mr. Brodie summarized what was presented today and noted that the State of the State Lands
23 Report will be provided at the July Board meeting.

24
25 Mr. Cahill asked about the focus of the Climate Resiliency Plan update in September. Mr. Brodie
26 replied that it will be a general overview to provide a broad picture of what is being done
27 department-wide, involving all programs, and then a more in-depth dive in to state trust lands.
28 We will also share the goals of what we would like to do, and how we plan to accomplish them.

29
30 Chair Franz shared that the plan is to start in small steps to relay to the Board a basic
31 understanding of the risk assessment. We will then discuss how it impacts land management, and
32 work to become proactive instead of reactive, and also discuss the long term impacts and
33 financial impacts over all programs.

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35 Mr. Cahill expressed thanks for the response, and shared that he hopes the Department will talk
36 about implementation and the priorities of the Department.

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38 Meeting adjourned at 11:06 AM.

Approved this 7th day of July, 2020

DocuSigned by:

903456C1CB0C405...
Hilary S. Franz, Washington State Commissioner of Public Lands

Approved via Webinar

Jim Cahill, Designee for Governor Jay Inslee

Absent

Chris Reykdal, Superintendent of Public Instruction

Approved via Webinar

Bill Peach, Commissioner, Clallam County

Approved via Webinar

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

Approved via Webinar

Dan Brown, Director, School of Environmental and Forest Sciences,
University of Washington

Attest:


Tami Kellogg, Board Coordinator