
Minutes

Board of Natural Resources Meeting

January 10, 2012
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Peter Goldmark, Washington State Commissioner of Public Lands

Daniel J. Bernardo, Dean, Washington State University – via conference call

Bob Nichols, for the Honorable Christine Gregoire, Washington State Governor

Dr. Thomas Hinckley, Interim Director, School of Forest Resources, College for the Environment,
University of Washington – via conference call

The Honorable Randy Dorn, Superintendent of Public Instruction

The Honorable Jon C. Kaino, Commissioner, Pacific County – via conference call

1 **CALL TO ORDER**

2 Chair Goldmark called the meeting to order at 9 AM. All board members introduced
3 themselves. Chair Goldmark noted there are four members present and that there is a quorum for
4 this meeting.

5
6 **SAFETY REVIEW**

7 Ms. Ishler gave a safety overview and instruction on evacuating the building in case of an
8 emergency for the audience and board members.

9
10 **APPROVAL OF MINUTES**

11 Chair Goldmark called for approval of the minutes for the December 6, 2011 Board of Natural
12 Resources meeting.

13
14 **MOTION:** Mr. Nichols moved to approve the minutes of the December 6, 2011 meeting

15
16 **SECOND:** Dr. Hinckley seconded the motion

17
18 **ACTION:** The motion was approved unanimously

19
20 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

21 **Marcy Goldie, Olympic Forest Coalition:** Ms. Goldie commented on the Blowder Creek
22 timber sale and the Settlement Partners Agreement. She asked the board to delay the Blowder
23 Creek timber sale due to Northern Spotted Owl and Marbled Murrelet habitat and unstable
24 slopes. Ms. Goldie noted an issue with 1:1 ratio of thinning for regeneration of harvests and the

1 department's inability to meet the minimum requirement of the Settlement Agreement indicating
2 the likelihood of the Conservation Caucus going into the dispute resolution process under this
3 agreement.

4
5 Superintendent Dorn arrived at 9:05AM.

6 Dean Bernardo arrived via conference call at 9:06AM.

7
8 **TIMBER SALES (Action Item)**

9 **Proposed Timber Sales for February 2012| 3**

10 Paul Bialkowsky, Assistant Division Manager, Forest Resources and Conservation Division

11
12 Mr. Stephenson introduced Mr. Bialkowsky as the new Assistant Division Manager for the
13 product sales section in the Forest Resources and Conservation Division and thanked Dave
14 Gordon for stepping in to this position on the interim basis. Mr. Stephenson informed the board
15 of the possibility that the department may not meet the sustainable harvest levels for 2012.

16
17 Mr. Bialkowsky presented the results of the December auctions to the board. DNR auctions
18 averaged 3.0 bidders per sale. Of the 11 sales offered 11 were sold, resulting in 45.6 mmbf of
19 the volume offered being purchased. Sales brought an average of \$338/mbf for a total of \$15.4
20 million.

21
22 Dr. Hinckley asked what the average sale price was. Mr. Bialkowsky replied that the appraised
23 price was \$304/mbf and that the average realized at auction was \$338/mbf, a 20% up-bid.

24
25 Mr. Bialkowsky then presented the February 2012 proposed sales packet to the Board.
26 Commissioner Kaino noted that the appraised price per mmbf was lower than the December results
27 and asked whether species mix was influencing that. Mr. Bialkowsky responded that there was a
28 variable density thinning sale in the packet that brings in a lower price per mmbf and that a number
29 of sales were primarily hemlock which also brings in a lower price per mmbf.

30
31 Dr. Hinckley asked why there was such a large price difference with hemlock vs. Douglas fir
32 given that in past months it was reported that China was purchasing hemlock in sufficient
33 quantities to drive up the price of that species. Mr. Bialkowsky replied that there was sufficient
34 demand in the first half of 2011 to drive up prices but that China has raised capital requirements
35 on lending in an effort to slow down their real estate market which, coupled with an over-supply
36 of logs and lumber, has resulted in a slowdown in the second half of 2011. Private timberland
37 owners in the state are now selling hemlock logs into the domestic market or are in a hold
38 position which is depressing the price of hemlock.

39
40 Mr. Nichols asked for an explanation of the Blowder Creek timber sale and comments received
41 from the public regarding the sale. Mr. Bialkowsky introduced Bill Wells, Coast District
42 manager for the Olympic region who oversees the district that includes the Blowder Creek sale.
43 Mr. Wells informed the board that the Blowder Creek timber sale followed all department
44 policies and procedures including the 1997 Habitat Conservation plan and the Policy on
45 Sustainable Forests.

1 Mr. Wells informed the board that the road reconstruction, within the area of Marbled Murrelet
2 habitat, was reviewed with the U.S. Fish & Wildlife service and a concurrence letter from the
3 USFWS was obtained for the reconstruction within that area. Sedimentation issues raised were
4 addressed; three state lands geologists, two state lands engineers and a Forest Practices geologist
5 had inspected the site on multiple occasions and approved the road plan. Further, the
6 Washington Department of Fish & Wildlife had issued a Hydraulic Permit for the construction of
7 a bridge for the area in question.
8

9 Commissioner Kaino asked whether the four miles of road construction and the associated costs
10 are included in the appraisal for the sale. Mr. Bialkowsky replied that the sale appraisal and
11 minimum bid include the estimated road construction costs and that purchasers are aware of
12 those costs when evaluating the sale.
13

14 Commissioner Kaino then asked whether the USFWS had reviewed and approved of the sale.
15 Mr. Wells replied that the USFWS only reviewed that portion of the road construction within the
16 area of Murrelet habitat and that the concurrence letter only relates to that portion of the sale
17 area. He further clarified that the rest of the sale area follows the HCP and DNR policies and
18 procedures.
19

20 Dr. Hinckley asked whether other roads were evaluated for timber haul. Mr. Wells replied that
21 three alternate haul routes were evaluated but that the route selected was the least costly and
22 most practical and had fewer stream crossings and areas of instability than other routes.
23

24 MOTION: Commissioner Kaino moved to approve the proposed timber sales for February
25 2012
26

27 SECOND: Dean Bernardo seconded the motion
28

29 ACTION: The motion was unanimously approved.
30

31 Commissioner Kaino requested that DNR staff prepare a synopsis on the current sustainable
32 harvest levels and the anticipated levels for 2012.
33

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

35 No comments
36

37 **LAND TRANSACTIONS**

38 **Green Creek Road Acquisition: 08-088231| 1 Handout**

39 Debi VanBuren, Asset and Property Management
40

41 Ms. VanBuren presented the Green Creek Road acquisition proposal, which comprises 163 acres
42 in Pacific County located between Raymond and Pe Ell and North of Highway 6.
43

44 Ms. VanBuren stated the acquisition adds high quality forest land to an existing block of trust
45 land, eliminates an inholding, and provides both near-term and future revenue opportunities. This
46 acquisition also facilitates sustainable management and affords access options for timber
47 harvests valued at approximately \$4 million dollars on adjacent trust lands.
48

1 Ms. VanBuren described the property attributes to include a county road to the property as well
2 as power. County zoning for most of the property is Rural Land, which allows one home per 5
3 acres. About 5 acres is zoned Rural Remote and provides for one home per 10 acres. The
4 property does have one developed home site with a manufactured home, garage outbuildings and
5 two barns. The near term plan includes renting the home and pasture with a 3-5 year goal of
6 planting the pasture in trees and the selling and removal of the manufactured home.

7 Most of the site is classified as Site Class II. Over 94 acres is in 60-80 yr. old merchantable
8 timber, 39 acres is pasture and about 30 acres is constrained by wetlands and stream buffers,
9 providing habitat for fish and wildlife.

10 The primary forest mix by board foot is 62% Doug fir with approximately 1 million bf of red
11 alder and about 5% a mix of other species native to local forests including hemlock and red
12 cedar.

13 The total negotiated purchase price is \$1,600,000 with \$910,000 attributed to the merchantable
14 timber and \$690,000 for the land and improvements.

15
16 Commissioner Kaino asked where the forest land was located that required access and also
17 where the county road was located. Ms. VanBuren referred to page 4 of her presentation and
18 indicated the inaccessible timber was to the west and north of the subject parcel. The county
19 road ends at the home site and is identified by a small yellow line within the subject.

20
21 MOTION: Commissioner Kaino moved to approve the Green Creek Road Acquisition
22 (Resolution 1371)

23
24 SECOND: Superintendent Dorn seconded the motion

25
26 ACTION: The motion was unanimously approved

27 28 **CHAIR REPORT**

29 **Marbled Murrelet Conservation Strategy Update:**

30 Cullen Stephenson, Deputy Supervisor for State Uplands

31 Kristen Ohlson-Kiehn, Project Lead for the Marbled Murrelet Conservation Strategy

32
33 Mr. Stephenson introduced Ms. Ohlson-Kiehn to the board members.

34 Ms. Ohlson-Kiehn gave the members an update on the discussions with the USFWS. She
35 reminded the board what occurred at the December board meeting and informed them that we
36 are still in discussions with the services and have not received final comments from them yet;
37 mainly due to the holidays. She let the board know the department is working diligently and that
38 good progress is being made. Ms. Ohlson-Kiehn let the board know we do however have an
39 agreement with the USFWS on our respective joint NEPA / SEPA roles and responsibilities.

40
41 Superintendent Dorn asked if there is an expected date for the final document. Ms. Ohlson-Kiehn
42 replied that we do not have a set date for the final document.

43 44 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

45 **Marcy Goldie, Olympic Forest Coalition:** Ms. Goldie stated she had no additional comments.

1 **Ann Forest Burns, American Forest Resource Council:** Ms. Forest Burns commented on the
2 draft Need, Purpose and Objectives Statement for the MMLTCS Project. She applauds the
3 department's efforts in putting forth a concise and consistent document in relation to department
4 obligations. She offers assistance of her organization and plans to provide meaningful input
5 during the formal scoping period.

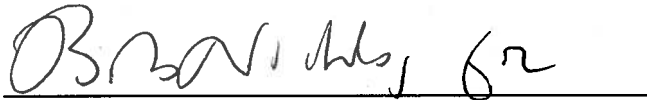
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7 Meeting adjourned at 9:39 AM

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Approved this 7TH day of February, 2012



Peter Goldmark, Washington State Commissioner of Public Lands



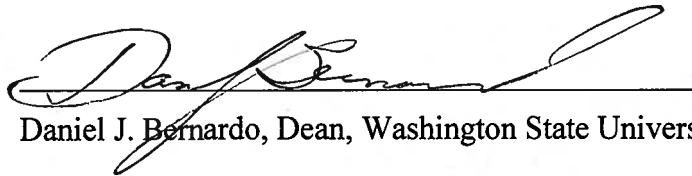
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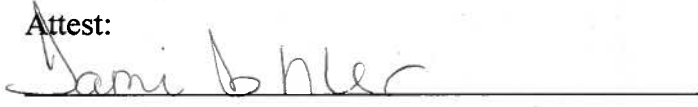


Daniel J. Bernardo, Dean, Washington State University

approved via conference call

Dr. Thomas Hinckley, Interim Director, School of Forest Resources, College for the Environment,
University of Washington,

Attest:



Tami Ishler, Board Coordinator