Minutes
Board of Natural Resources Meeting
March 1, 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

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

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.

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 February 2, 2016 Regular Board of Natural Resources Meeting.

MOTION: Dean Mittelhammer moved to approve the minutes.

SECOND: Commissioner Peach seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST
Ann Forest Burns, Vice President of the American Forest Resource Council (AFRC), spoke about post fire harvesting. Ms. Burns stated that AFRC is seeking to intervene on DNR’s side in
the West Fork Fire Salvage Sale litigation. She asked the Board to consider carbon sequestration and its role in climate change. She remarked that they are confident in DNR’s staff taking the appropriate steps during post-disturbance harvesting, and urged the Board to trust their expertise.

Marlene Pfeifer, School Director from Ellensburg, representing the beneficiaries, stated her interest in the policies.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS
Doug Cooper, representing Hampton Affiliates, spoke about timber supply. Mr. Cooper reminded the Board members of the fiscal year sale plan and stated the numbers are below the projected targeted volume. Mr. Cooper noted that the arrearage continues to grow and urged the Board to consider maximum productivity out of the lands.

TIMBER SALES (Action Item)
Proposed Timber Sales for April 2016, 3 handouts, including the presentation
Tom Shay, Product Sales & Leasing Division

Mr. Shay presented the results of the February 2016 auction to the Board. The Department offered 11 sales totaling 60.2 mbf in February. All sales sold, totaling $19.7 million for an average of $327 per mbf.

Mr. Shay noted that two sorts did not sell. Mr. Shay stated the Department was assessing options for those sorts and they will likely be reoffered at a later date. Mr. Shay also noted that bidder interest remained good and prices were steady.

Mr. Shay then presented the proposed April 2016 sales to the Board.

In response to a public comment, Mr. Shay stated the Department is on track with its fiscal year 2016 volume, but he is unsure of the status of individual region deliverables at this time.

Mr. Shay asked if any board members would be interested in knowing the status of individual region volume deliverables. Director Deluca remarked that he would be interested in that information.

MOTION: Director Deluca moved to approve the sales proposed for April 2016.

SECOND: Commissioner Peach seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS
Pat Carter, Log Procurement Manager, representing Interfor, opposed the Lake Cushman Trust Land Transfer. Mr. Carter stated that while the goals of the TLT program are laudable in providing a one-time compensation to the Common School Trust, he believes it ignores the economic contribution of actively managing these forest landscapes.

LAND TRANSACTION (Action Items)
Lake Cushman Inter-Trust Exchange, File No. 86-093099; Resolution 1481
Bob Winslow, Conservation, Recreation, and Transactions Division

Mr. Winslow gave an overview of the Lake Cushman Inter-Trust Exchange properties located in Mason and Thurston counties. Parcel A is located in Mason County near Lake Cushman and is 70.21 acres in size. Parcel A will change from Charitable, Educational, Penal and Reformatory Institution (CEP&RI) Trust to Common School Trust in the exchange. The trees in Parcel A are 60-70 years in age and the soil is Site Class 3 and 4. Parcel B is located in Thurston County in the center of Capitol State Forest and is 77.2 acres in size. Parcel B will change from Common School Trust to CEP&RI Trust. The trees are 50 to 70 years in age and the soil is Site Class 3 and 4.

Mr. Winslow stated that the appraised value for Parcel A and B were equivalent and the value was $698,000. The timber value and land values for the properties were very similar. He noted that at the public hearing there were no attendees and no written testimony was provided during the written comment period.

Lake Cushman Trust Land Transfer, File No. 02-091700; Resolution 1482
Bob Winslow, Conservation, Recreation, and Transactions Division

Mr. Winslow gave a brief overview of the status of the Trust Land Transfer (TLT) projects for the 2015-2017 biennium. There are five legislatively funded TLT projects proposed for this biennium and the Lake Cushman TLT project is the second project presented this biennium to the Board.

The Lake Cushman Trust Land Transfer (TLT) property is located in Mason County about 12 miles northwest of Hoodsport, Washington. The property is 70 acres in size and adjacent to City of Tacoma Public Utility property on the south and west sides. The property will be transferred to the City of Tacoma Public Utilities and will have a perpetual deed restriction limiting future uses of the property to recreation, open space or wildlife habitat. The Lake Cushman property in this area is managed by the city for power, wildlife habitat and recreation. There is extensive recreation on lands surrounding Lake Cushman, as this is one of the main entrances into Olympic National Park and Olympic National Forest.

The overall property value is $698,000 and $642,000 will be transferred into the Common School Construction Account and $56,000 will be transferred into the Real Property Replacement Account for the benefit of future Common School Trust purchases.

Chair Goldmark asked about the USFS road control and whether homes or cabins could be constructed. Mr. Winslow answered that the USFS appears to be willing to allow cabin construction along the USFS road, but due to USFS ownership and control of this portion of the road, the legal access to properties along this USFS road can change through time.

Dean DeLuca asked about the appraisal process. Mr. Winslow answered that the valuation of this property was determined by the appraiser to be maximized (Highest and Best Use) through a Class 3 Forest Practice timber harvest application with maximum timber harvest, but which
would impose a temporary moratorium on home site construction. The ability to purchase forest 
replacement trust lands in the marketplace at forest land values was also discussed.

Chair Goldmark added that the proximity of water cannot be put into consideration when the 
landscape goes into conservation status.

In response to a public comment, Chair Goldmark asked Deputy Supervisor Kyle Blum a 
question about the amount of resources going into the real property replacement account. Mr. 
Blum answered that an adjustment has been made in the appraisal process, or better known as the 
State Forest Replacement Program, so the money that comes to the Department is more 
reflective of what we can buy the land for. He added that the Department has put increase 
security on the proposals that come forward to the Board.

Mr. Winslow recommended approval of Resolution 1481 and 1482.

MOTION: Director DeLuca moved to approve Resolution 1481 and 1482.

SECOND: Commissioner Peach seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR CHAIR REPORT

Kevin Schmelzen, with the Marbled Murrelet Survival Project, spoke about the marbled 
murrelet long-term conservation strategy and where the funds come from. He asked the Board to 
look at innovative solutions to provide revenue to the beneficiaries and not depend on timber 
harvest only.

CHAIR REPORT

Marbled Murrelet Long-term Conservation Strategy Update

Kyle Blum, Deputy Supervisor for State Uplands

Mr. Blum provided a brief overview of upcoming information that will be presented to the 
Board.

For the sustainable harvest calculation we will bring information about the policies that will be 
incorporated into the sustainable harvest level calculation. The marbled murrelet long-term 
conservation strategy will be presenting information about management rules, analytical 
framework outputs, and Dr. Zach Peery’s analysis.

Commissioner Peach stated that for the financial analysis he would like to include a detailed 
analysis by beneficiary for each county to understand the impacts. Mr. Blum stated that the 
Department is intending to complete a breakdown for the analysis.

Superintendent Dorn asked what the timeline will be for the projects. Mr. Blum stated that 
environmental impact statements for both Sustainable Harvest Calculation and Marbled Murrelet 
Long-term Conservation Strategy are anticipated in fall 2016.
Director DeLuca asked for the timeline for Dr. Zach Peery’s analysis. Mr. Blum stated that he plans to present Dr. Peery’s analysis in late summer or early fall.

Chair Goldmark convened an Executive Session to brief the Board on a potential litigation at 9:59 AM and reconvened the Regular Board Meeting at 10:18 AM.

Meeting adjourned at 10:18 AM.
Approved this 5th day of April, 2016

[Signature]

Peter Goldmark, Washington State Commissioner of Public Lands

[Signature]

JT Austin, Designee for Governor Jay Inslee

absent

Randy Dorn, Superintendent of Public Instruction

[Signature]

Bill Peach, Commissioner, Clallam County

absent

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

[Signature]

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

Attest:

[Signature]

Sarah Vaissot, Board Coordinator