Minutes
Board of Natural Resources Meeting
April 16, 2018
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
Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington – joined via conference call around 1:30 PM
Ron C. Mittelhammer, Dean, College of Agricultural, Human, and Natural Resource Sciences, Washington State University – via conference call

CALL TO ORDER
Chair Franz called the meeting to order at 1:03 PM.

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

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

APPROVAL OF MINUTES
Chair Franz called for approval of the minutes for the March 6, 2018 Regular Board of Natural Resources Meeting.

MOTION: Commissioner Peach moved to approve the minutes.
SECOND: Superintendent Reykdal seconded the motion.
ACTION: The motion was approved unanimously.

Chair Franz provided an update on the Singletary timber sale, letting the Board know of the change in Snohomish County’s position, and also that DNR staff has since met with the community twice to hear what they had to say. She shared that the next step is to move forward
with a timber sale that will meet our objectives to: 1) provide revenue to the beneficiaries, 2) support the Reiter Foothills Recreation Plan and, 3) meet our responsibilities as required by law. She stated that after the next community meeting on April 30, an update will be provided at the next Board meeting.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST
Cheryl Haywood, Library Director, Timberland Regional Library, informed the Board of two new services provided by the library; Work Source Network, and public access to Wi-Fi and printing privileges.

Health Heikkila, ARFC, spoke about legislative partnerships with DNR regarding GNA and FH Capital budget funds. He also spoke about marbled murrelet legislation, and shared concerns that USFWS is treating DNR more like a federal agency instead of a state agency.

Lawson Fite, AFRC, spoke about the marbled murrelet long-term conservation strategy and the acreage scheduled for release. He also suggested the Board remove Alternative F since it is no longer a reasonable alternative.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS
Brian Sims, WSSDA, expressed support of the Jolly Fire Salvage timber sale.

Kitty Craig, Executive Director, Wilderness Society, voiced her concerns about the Jolly Fire Salvage timber sale and asked DNR to remove it from the timber sale package.

Bill Tuner, Division Tour Manager, Sierra Pacific Industries, expressed support of the Virginia Ridge timber sale.

Kara Whitaker, Senior Scientist and Policy Advisor, WFLC, spoke about the Jolly Fire Salvage timber sale, and shared concerns of the possibility of heightened and prolonged environmental impacts.

Miguel Perez-Gibson, WEC, spoke about timber sales and encouraged collaboration with external parties to gain the most revenue for the beneficiaries. He also spoke about the Jolly Fire sale, and asked how the conversations surrounding issues with timber sales could occur sooner.

Matt Comisky, Washington Manager, AFRC, spoke about their support of the timber sale program. He mentioned the Jolly Fire Salvage timber sale, noting that the Teanaway Community Forest is not yet self-sufficient. He stated that when it comes down to it, the sale is still Common School Trust land and the Board has to meet their fiduciary obligations. He hopes the Board will move forward with the sale.

Russ Pfiffer-Hoyt, Chair WSSDA Trust Lands Task Force, expressed support of the Jolly Fire Salvage timber sale, and the Forest Health efforts of the Department.

TIMBER SALES (Action Item)
Proposed Timber Sales for May 2018, Auction Results | 3 handouts, including the presentation
Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division

Ms. Eagle presented the results of the March 2018 auction to the Board. The Department offered 14 sales totaling 63.3 mmbf in March. Of those, 13 sales sold totaling $30.2 million for an average of $523 per mbf, with 2.6 bidders per sale on average.

Ms. Eagle then presented the current fiscal year sold volume totals by quarter since the 3rd quarter was completed in March. Ms. Eagle noted that the variations in data are based on planned auction timing versus actual sale date. She then showed a graph which rolled-up the entire planned fiscal year volumes based on sold, ready for sale, and planned, noting the details of Forest Improvement Treatment sales as additions to regular volume, and that one sort of conifer utility wood accounts for the difference in sums between this graph and the last.

Ms. Eagle asked the Board for questions on the March auction results and fiscal year volume update.

Commissioner Peach stated that the Department looks to be on track to meet the 503 mmbf deliverable, and that he appreciates the presentation of deliverables.

Commissioner Franz added that the Department is always looking to demonstrate timber sale plans clearly to the public.

Ms. Eagle then presented proposed sales to be offered in May 2018 to the Board. Ms. Eagle provided extra detail regarding the Jolly Fire Salvage sale in Southeast Region, beginning with guiding principles that the Agency follows for making timber salvage decisions. She also provided an overview of the Jolly Mountain Fire and sale specific information, and informed the Board of the steps DNR foresters went through prior to the sale coming to the Board, which included public meetings and site tours.

Superintendent Reykdal asked for clarification on the Jolly Mountain Fire map. Ms. Eagle provided further information on map details.

Ms. Eagle asked the Board for questions on the proposed sales. There were none.

Commissioner Peach thanked staff for following up on questions, and sharing the details regarding sales. Ms. Eagle shared once again the guiding principles for salvage decisions including the statute and DNR’s Policy for Sustainable Forests and Habitat Conservation Plan.

MOTION: Commissioner Peach moved to approve the proposed sales.

SECOND: Superintendent Reykdal seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS
Mike Kaputa, Chelan County Natural Resources Department, spoke about the Stemilt 2 transaction. He shared the history of the subject property, and expressed support of the transaction.

Commissioner Kevin Overbey, Chelan County, spoke in support of the Stemilt 2 transaction.

LAND TRANSACTION (Action Items)
Community College Land Exchange 86-096476; Resolution 1516 and Community College Trust Land Transfer No. 02-096465; Resolution 1517 | 2 handouts, including the presentation
Deborah Whitney, Program Manager, Conservation, Recreation, and Transactions Division

Ms. Whitney presented the proposal for the Community College trust land exchange and transfer. She explained that the Community College Trust Land Exchange is an exchange of lands owned by the Charitable, Educational, Penal & Reformatory Institutions (CEP&RI) Trust and the Community & Technical College Forest Reserve (College Reserve) Trust.

She described the CEP&RI Trust lands as located in Grays Harbor and King County, and are leased by the Grays Harbor, Green River, Highline and South Seattle Community Colleges. The lease rent is $1.00 per year. The properties were appraised with a fair market value of $15,139,000.

Ms. Whitney then explained that the College Reserve trust lands are forest lands located in Snohomish County. The property was appraised with a fair market value of $15,128,000. The difference in value is 0.053%, and considered equal-valued.

Once exchanged, the CEP&RI Trust will own the forestland in Snohomish County, and the College Reserve Trust will own the lands beneath the four colleges.

Superintendent Reykdal expressed his support of the transaction.

Commissioner Peach asked if there were any issues that were resolved prior to the transaction coming to the Board for consideration. Ms. Whitney stated that there was nothing but support for the transaction, and there was also a request from the Stillaguamish Tribe for the colleges to continue communications and provide notification of activities.

MOTION: Superintendent Reykdal moved to approve Resolution 1516.

SECOND: Ms. Austin seconded the motion.

ACTION: The motion was approved unanimously

Ms. Whitney then described the Community & Technical College Forest Reserve trust property located in Grays Harbor and King County as properties leased by the Grays Harbor, Green River, Highline and South Seattle Community Colleges. The annual lease is $1.00. The properties are being transferred to the State Board for Community and Technical Colleges, to be managed for the benefit of community and technical colleges.
MOTION: Superintendent Reykdal moved to approve Resolution 1517

SECOND: Ms. Austin seconded the motion.

ACTION: The motion was approved unanimously

Semitl 2 Transfer, 02-093070; Resolution 1518 | 2 handouts, including the presentation
Bob Winslow, Program Manager, Conservation, Recreation and Transactions Division

Mr. Winslow presented the Semilt 2 transaction as property located in Chelan County, 8 miles south of Wenatchee. He stated that the property consists of 2 sections of Common School Trust land that are proposed for transfer to the State of Washington Department of Fish and Wildlife. The properties total 1,275 acres, are located between the elevation of 2,800’ and 3,800’ and have had prior timber harvests on the properties.

Mr. Winslow explained that there has been public interest in the landscape and that the Semilt Partnership identified wildlife, recreation, water and agriculture as being important to local residents. Elk utilize the landscape and migrate both west and east of these parcels.

In addition, the property is the beginning of a 90 mile groomed winter trail system and does not have any existing water rights, and that water rights in this basin have been fully allocated in the past. Even though the property contains limited potential for cherry orchard development on 400 acres, water rights would need to be purchased and transported from the Columbia River to the property.

He stated that the appraised and negotiated value of the property is $1,778,000 and the sale proceeds would be deposited into the Real Property Replacement Account for the benefit of the Common School Trust.

Commissioner Peach asked where the funding is coming from to make the purchase. Mr. Winslow responded that Section 6 grant funds, received by WDFW, are to fund the transaction of the property. Commissioner Peach then asked if DNR would receive their commission. Mr. Winslow replied it would not on this transaction. Commissioner Peach noted that this is an example of where DNR has merchantable timber but the Department does not reduce the annual harvest.

MOTION: Commissioner Peach moved to approve Resolution 1518

SECOND: Superintendent Reykdal seconded the motion.

ACTION: The motion was approved unanimously

Meeting adjourned at 2:16 PM.
Approved this 1 day of May, 2018

Hilary S. Franz, Washington State Commissioner of Public Lands

Absent

JT Austin, Designee for Governor Jay Inslee

Absent

Chris Reykdal, Superintendent of Public Instruction

Bill Peach, Commissioner, Clallam County

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

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

Attest:

Tami Kellogg, Board Coordinator