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

CALL TO ORDER
Chair Franz called the meeting to order at 9:02 AM.

WEBINAR FORMAT BRIEFING
Ms. Anderson provided an overview of conducting the meeting via Webinar.

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

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

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

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

SECOND: Director Brown seconded the motion.

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

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

TIMBER SALES (Action Item)

Proposed Timber Sales for July 2020 | 3 handouts, including the presentation

Patrick Ferguson, Product Sales & Leasing Division

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

Mr. Ferguson asked for questions. There were none.

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

Mr. Ferguson asked for questions. There were none.

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

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

MOTION: Commissioner Peach moved to approve the proposed sales.

SECOND: Director Brown seconded the motion.

ACTION: The motion carried unanimously.

PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS

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

LAND TRANSACTION (Action Items)

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

Robin Hammill, Conservation, Recreation, and Transactions Division

Ms. Hammill presented the Lake Merwin 160 purchase to the Board. She stated that the property is located in northern Clark County, just south of Lake Merwin and about 15 miles east of the City of Woodland. The 160-acre property consists of approximately 50/50 site class 2 and 3 soils and the timber on the property is a mix of 20-35 year old Douglas fir and Red alder. The
property is zoned FR-80, which according to Clark County is the purpose “to maintain and enhance resource based industries, encourage the conservation of productive forestland and discourage incompatible uses.” The purchase price is $600,000 and the sellers are private landowners. The funding for this acquisition comes from the Real Property Replacement Account using funds for acquiring replacement Common School Trust property.

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

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

Ms. Hammill concluded by asking the Board to approve Resolution 1565.

Chair Franz called for a motion.

MOTION: Commissioner Peach moved to approve Resolution 1565.

SECOND: Director Brown seconded the motion.

ACTION: The motion carried unanimously.

APPROVAL OF ACTING DEPARTMENT SUPERVISOR Resolution #1566

Chair Franz prefaced the next action by reminding the Board of the role of the Department Supervisor, and informing them that Kathryn Taylor has been selected to fill this position. She stated that Lenny Young is stepping in as acting until the new Department Supervisor comes on board, June 16, 2020.

Chair Franz called for a motion to approve Resolution 1566.

MOTION: Commissioner Peach moved to approve Resolution 1566.

SECOND: Mr. Cahill seconded the motion.

ACTION: The motion carried unanimously.
APPROVAL OF THE DEPARTMENT SUPERVISOR

Resolution #1567

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

Chair Franz called for a motion to approve Resolution 1567

MOTION: Director Brown moved to approve Resolution 1567.
SECOND: Dean Wright seconded the motion.
ACTION: The motion carried unanimously.

PUBLIC COMMENTS FOR CHAIR REPORT

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

CHAIR REPORT

Board of Natural Resources Work Plan

Angus Brodie, Deputy Supervisor for State Uplands

Mr. Brodie stated he will review the proposed long and short term work plan, and provide an update on the Trust Land Performance Assessment (TLPA) and the Climate and Carbon Work Plan within the Agency’s state trust lands program.

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

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

Mr. Brodie then reviewed the timeline for work and accomplishments, month by month, for the remainder of 2020.
Chair Franz asked for questions or comments from the Board, and noted the constraints the Department has been under due to COVID-19, and how we are making sure we are able to continue our mission within the context of COVID-19 limitations. She noted that TLPA is one of her priorities, and that it will be informative and enlightening. She stated it will help to ensure we are managing lands in a sustainable way, while generating revenue for our beneficiaries. She shared that completing the climate resiliency plan early this year has set up the framework for driving down through our programs how we will bring climate impacts seen today and in the future into our decision making, as well as the context of carbon sequestration opportunities for mitigating and creating more resilient plans.

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

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

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

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

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

Chair Franz added that we shouldn’t be looking at this report as the only informational source on how we manage lands. She spoke about working with Earth Economics, who is providing additional information that will be provided to the Board. She touched briefly on carbon and
carbon sequestration, which are also elements that will help inform the Board with decision
making on policy.

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

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

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

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

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

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

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

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

Meeting adjourned at 11:06 AM.
Approved this 7th day of July, 2020

Hilary S. Franz, Washington State Commissioner of Public Lands

Jim Cahill, Designee for Governor Jay Inslee

Chris Reykdal, Superintendent of Public Instruction

Bill Peach, Commissioner, Clallam County

André-Denis Wright, 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