Minutes
Board of Natural Resources Meeting
June 3, 2014
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT
The Honorable Peter Goldmark, Washington State Commissioner of Public Lands
JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor
The Honorable F. Lee Grose, Commissioner, Lewis County
Thomas H. DeLuca, Director, School of Environmental and Forest Sciences, University of Washington
The Honorable Randy Dorn, Superintendent of Public Instruction
Ron C. Mittelhammer, Interim Dean, College of Agricultural, Human, and Natural Resource Sciences, Washington State University

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, with Director DeLuca participating via conference call.

Chair Goldmark, along with the Board members, request that the public provide materials for consideration to the Board three business days prior to 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 May 6, 2014 Regular Board of Natural Resources Meeting.

MOTION: Dean Mittelhammer moved to approve the minutes.
SECOND: Ms. Austin seconded the motion.
ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS
No comments.
TIMBER SALES (Action Item)

Proposed Timber Sales for July 2014 | 3 handouts, including the presentation
Paul Bialkowski, Assistant Division Manager, Product Sales & Leasing Division

The results of the May auctions were presented to the Board by Mr. Bialkowski. The Department offered 19 sales totaling 70.3 MMBF in May. Of those, 18 sales sold and one sort sale is pending, with 4 sorts being reoffered on June 4th. The sold sales totaled $22.8 million for an average of $335 per MBF.

Mr. Bialkowski remarked that bidder interest remains strong, but markets are beginning a gentle slide to their seasonal lows.

The proposed July sales were then presented to the Board.

The Department proposed to offer 2 sales in July, one in King County and one in the Department’s southeast region, totaling 2.9 MMBF. The appraised value of these sales is $750,000 for an average of $255/MBF.

Chair Goldmark asked whether the species mix in the southeast region sale was influencing the price per MBF, and Mr. Bialkowski replied that the southeast sale was influencing the average price per MBF, as well as the fact that the sale in King County was a combination of variable retention harvest and variable density thinning.

Mr. Bialkowski asked for approval of the proposed July sales.

MOTION: Commissioner Grose moved to approve the proposed July 2014 sales.

SECOND: Dean Mittelhammer seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS
Laura Merrill, representing the Washington State Association of Counties, spoke in favor of the Skamania State Forest Trust Transfer.

LAND TRANSACTIONS (Action Item) | 1 Handout
Williams Creek Acquisition, File No. 08-091566, Resolution 1426
Deb Van Buren, Project Manager, Conservation, Recreation and Transactions Division

Ms. Van Buren described the 40 acre acquisition located in the southeasterly portion of Grays Harbor County, west of Hwy 12 and about 2 miles west of Oakville. It was identified as an edge-holding to the Lower Chehalis State Forest, adding high quality working-forest land to an existing block of trust land that will provide future revenue opportunities for the Charitable, Educational, Penal, and Reformatory Institutions (CEP & RI).
Ms. Van Buren described the property attributes, noting that the property is zoned General 5 with one home per five acres, it contains about 29 acres of 24 year old Douglas Fir and red alder, and approximately 11 acres is wetland and buffers. The Site Class is a mix of II and III. The purchase price is $99,000, plus up to $6,500 for Compensating Tax, with $28,000 attributed to the land and $71,000 attributed to the reproduction value.

Ms. Van Buren asked for approval of Resolution 1426.

MOTION: Commissioner Grose moved to approve Resolution 1426.

SECOND: Dean Mittelhammer seconded the motion.

ACTION: The motion was approved unanimously.

Skamania State Forest Trust Land Transfer, File No. 02-090669, Resolution 1427
Julie Armbruster, Conservation, Recreation, and Transactions Division

Ms. Armbruster described that the property is located 8 miles northwest of Stevenson and is classified as Northern Spotted Owl habitat. The timber on the property is valued at $436,250, and of that amount $327,188 (75%) will be distributed to Skamania County to fund services.

The Department will receive $109,062 (25%) for the Forest Development Account, which pays for the cost of managing State Forest Transfer trust lands. The land value of $63,750 will be placed in the Park Land Trust Revolving Account and will be used to purchase replacement forest land.

The Board will need to approve a higher land value than was appraised ($1500 per acre rather than $600 per acre) in order to provide funds to the land replacement account that will include a portion for purchasing reproduction timber. Skamania County was consulted and agreed with the approach. The transfer is authorized by a legislative appropriation to assist timber-dependent counties by providing revenue from lands affected by the Endangered Species Act.

Chair Goldmark asked if there are any thoughts for the future on how to encompass the owl habitat with something other than regular geometric squares.

Ms. Armbruster replied that it is done that way because the habitat line follows vegetation and not a describable feature like a stream or a road. A survey would need to be completed to describe the habitat line, which would be costly.

Ms. Armbruster asked for approval of Resolution 1427.

MOTION: Dean Mittelhammer moved to approve Resolution 1427.

SECOND: Ms. Austin seconded the motion.

ACTION: The motion was approved unanimously.
PUBLIC COMMENTS FOR SUSTAINABLE HARVEST CALCULATION CHAIR

REPORT

No comments.

CHAIR REPORT | 1 Handout
Western Washington Sustainable Harvest Calculation
Kyle Blum, Deputy Supervisor for State Uplands
Angus Brodie, Forest Resources Division Manager

Mr. Blum introduced the chair report, stating that the purpose of the report was to discuss riparian and marbled murrelet modeling assumptions for the Sustainable Harvest Calculation.

Mr. Blum began the presentation by recapping the discussion from the previous meetings and introduced the topic of the June meeting which was to discuss riparian and marbled murrelet modeling assumptions. Mr. Blum reminded the audience that in previous meetings the riparian and marbled murrelet topics were discussed in terms of past performance, but this meeting is to discuss options looking forward for the new sustainable harvest level in areas where we know the performance during the previous decade didn’t match the Department’s expectations.

Mr. Blum explained that at today’s meeting he was not looking for the Board to give feedback on a preference of the options that would be presented, but that the range of options are inclusive of the information they would need to make a decision in the future.

Mr. Brodie explained that the options that will be presented are ultimately directing how much land is going to be available for harvest and how much land is going to be dedicated to conservation objectives.

Mr. Brodie explained the land classes that contribute to the availability of lands for the calculation. He explained that in the riparian land class the main conservation objective for the Riparian Forest Restoration Strategy from Policy for Sustainable Forests is to maintain and restore habitat for salmonid species as well as other riparian dependent species, and to restore forest conditions and their functions.

Commissioner Grose asked about the trend of availability of uplands with general objectives, and what the prediction is for the availability of these lands moving into the future. Mr. Brodie responded by saying that the trend is seeing the deferral areas increasing, riparian areas being larger and wider from the direction in the 1997 State Uplands Habitat Conservation Plan (HCP), and the category for uplands with specific objectives has increased with direction from the HCP.

Mr. Brodie presented information on the past decade’s performance in riparian areas.

Chair Goldmark summarized the past decade’s performance in riparian areas by stating that in the last calculation we projected to harvest approximately 7% riparian contribution and achieved less than 1%.

Mr. Brodie presented information around potential modeling options for riparian availability for the sustainable harvest calculation. The Model assumption options that were presented were:
1. No more than 1 percent of the riparian area per year (2007 SHC Assumption),
2. No more than 5 percent of upland harvest area per the decade,
3. No more than 10 percent of upland harvest area per the decade, and
4. No more than 15 percent of upland harvest area per the decade.

Mr. Blum asked if the four options presented was a reasonable range of options to bring back at a future meeting date. The Board agreed that it was a reasonable range of options.

Chair Goldmark adjourned the Board of Natural Resources Meeting and he convened an Executive Session.

Chair Goldmark reconvened the Board of Natural Resources Meeting at 10:15 AM.

Western Washington Sustainable Harvest Calculation
Kyle Blum, Deputy Supervisor for State Uplands

Mr. Blum presented information on the HCP interim strategy for the marbled murrelet.

Mr. Blum explained that the purpose of buffers for marbled murrelet occupied sites is to protect the site from windthrow and predation. He proceeded to present the potential options for management options for 100 meter buffers on occupied sites. There are approximately 33,000 acres deferred as 100 meter buffers protecting occupied sites. The potential options for these buffers are:

1. Thinning only,
2. 165 feet no harvest, and
3. 328 feet no harvest.

Dean Mittelhammer suggested another option of running the model with no buffers to use for baseline information.

Mr. Blum presented information on options for Marbled Murrelet Management Areas (MMMA). The Board was asked to give direction for modeling assumptions on the volume that they would like to see coming out of non-habitat in MMMA between now and the completion of the Marbled Murrelet Long-term Conservation Strategy (MMLTCS). This decision will affect approximately 77,000 acres of non-habitat in proposed MMMA.

Mr. Blum presented the options below for consideration for the management of non-habitat in proposed MMMA:

1. No management restrictions,
2. No harvest activities,
3. Thinning only, and
4. Some regeneration harvest allowed, metered over time.

The Board agreed that the options are a good range to evaluate, but would like to see more information around the details of the options. The Board would also like to see a couple different scenarios around option 4.
Mr. Blum explained that we would be presenting modeling information for these options and the arrearage options at future meetings.

**PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**
Wyatt Golding, with the Washington Forest Law Center, representing the OFCO, the Sierra Club, and Seattle Audubon, requested that the Board use an open and public transparent process in adopting the Sustainable Harvest Calculation (SHC), which will require an environmental impact statement (EIS) or a supplemental environmental impact statement (SEIS). It is important for the public to consider alternatives and weigh in on large discussions. The SHC interacts with later decisions around the MMLTCS, and because the processes are closely connected, public input is needed. Mr. Golding stated that the Department should address in an open public discussion the consideration on how the SHC has arrived, and the fiduciary duties on the different lands within DNR trust lands.

Casey Bakker, President of the Washington Harvester Association, an organization of vessel owners that harvest geoducks for the Department, thanked Commissioner Goldmark for going back to the original contract. He noted that the medical requirement is a universal requirement and extended an invitation to the Board members to come out and see how they conduct themselves.

Ann Forest Burns, Vice President of American Forest Resources Council (AFRC), stated that along with her were representatives of Hampton Timber, Murphy Company, and Interfor U.S. (major purchasers). Ms. Burn expressed that they would encourage the Board to use an open and transparent process as the Board decides on the direction of DNR staff regarding modeling assumptions to be used for the next Sustainable Harvest Calculation.

Meeting adjourned at 11:03 AM
Approved this 16th day of July, 2014

[Signature]

Peter Goldmark, Washington State Commissioner of Public Lands

[Signature]

JT Austin, Designee for Governor Jay Inslee

Absent

Randy Dom, Superintendent of Public Instruction

[Signature]

F. Lee Grose, Commissioner, Lewis County

[Signature]

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

[Signature]

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

Attest:

[Signature]

Sarah Van Sant, Board Coordinator