Minutes
Board of Natural Resources Meeting
October 6, 2015
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 Jim McEntire, Commissioner, Clallam County
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 – via telephone conference

BOARD MEMBERS ABSENT
The Honorable Randy Dorn, Superintendent of Public Instruction

CALL TO ORDER
Chair Goldmark called the meeting to order at 9:05 AM.

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

SAFETY REVIEW
Ms. Gillum 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 September 1, 2015 Board of Natural Resources Meeting.

MOTION: Director DeLuca moved to approve the minutes.
SECOND: Commissioner McEntire seconded the motion.
ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS
Phillip Kitchel, citizen, asks if there is an online tax-code district map, which identifies where
timber sales will be for school districts, and what method of harvest will be done. Chair
Goldmark suggests Mr. Kitchel discuss his inquiry with DNR staff.

TIMBER SALES (Action Item)
Proposed Timber Sales November 2015 3 handouts, including the presentation
Tom Shay, Product Sales & Leasing Division

Mr. Shay presented the results of the September 2015 auction to the Board. The Department
offered 4 sales totaling 12.3 mmbf in September. All sales sold, totaling $4.7 million for an
average of $383 per mbf.

Mr. Shay remarked that bidder interest remained high and that through October planned sales,
the Department is approximately 40 mmbf ahead of fiscal year 2015 volumes at this time last
year.

Mr. Shay asked the Board for questions regarding September 2015 auction results. There were
no questions.

The proposed November sales were then presented to the Board by Mr. Shay.

Mr. Shay asked the Board for questions regarding the proposed November 2015 timber sales.
Hearing no questions, Mr. Shay asked the Board for approval of the proposed sale package.

MOTION: Commissioner McEntire moved to approve the proposed November 2015 sales.

SECOND: Director Deluca seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS
There were no public comments for Land Transactions.

LAND TRANSACTION (Action Items)
Forest Glade Acquisition No. 08-082803; Resolution No. 1474
Michelle Wendel, Conservation, Recreation, and Transactions Division

Ms. Wendel presented the Forest Glade acquisition to the Board. The property is 165 acres
located in Snohomish County, consisting of varied age class timber on all Site Class II soils. Ms.
Wendel continues stating the property is zoned R5 and is an inholding, surrounded by
Community and Technical College Forest Reserve Trust lands. The purchase price is
$1,100. $500,000 will come from the Community and Technical College Forest Reserve Trust,
which Ms. Wendel notes will maximize the appropriation from that trust- and $600,000 will
come from the Scientific School Trust. The benefits of this acquisition will maintain a working
forest and prevent residential use.
Ms. Austin questions the surrounding land's trust designation. Ms. Wendel replies that it is both Community College and Technical College Forest Reserve Trust lands.

Director DeLuca asks for clarity on the type of timber on the site. Ms. Wendel states there are a mix of species, which include Douglas fir, Red Alder and other mixed hardwood/conifer.

With no further questions from the Board, Ms. Wendel recommended approval of Resolution 1474.

MOTION: Commissioner McEntire moved to approve Resolution 1474.

SECOND: Ms. Austin seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR CHAIR REPORT
Phillip Kitchel, citizen, comments on the DNR annual reports, long term deferral topic. Mr. Kitchel asks when long term deferral was discussed and approved by the board, as laid out in the 2014 annual report.

Randy Bartell, Cascade Hardwood Group, speaks on hardwood industry during recent recession, and options faced to keep mills running. Mr. Bartell states his support for proposed Arrearage options 1 or option 4.

Ann Forest Burns, American Forest Resource Council, states AFRC's growing concern on combination or arrearage numbers. Ms. Burns presents the board with options AFRC put together which they feel would comply with statutory requirements in determining arrearage options.

CHAIR REPORT
Kyle Blum, Deputy Supervisor for State Uplands

Mr. Blum stated that the purpose of his presentation is to recommend additional options to consider for environmental analysis on the arrearage. Mr. Blum reviewed the options that were presented at the August BNR meeting. The options that the BNR considered at the previous meeting are:

- Option One: Arrearage of 462 MMBF sold over the next five years based upon a proportional distribution amongst the sustainable harvest units in arrears.
- Option Two: Arrearage of 462 MMBF sold over the next ten years based upon a proportional distribution amongst the sustainable harvest units in arrears and focus on ecological objectives using alternative silvicultural operations.
- Option Three: Incorporate arrearage of 462 MMBF into the starting forest inventory and schedule harvests over the planning horizon.

Mr. Blum presented some additional considerations for analysis. The first consideration is to change the arrearage number from 462 MMBF to 702 MMBF for option one. The number of 702 MMBF is the sum of the sustainable harvest unit shortfalls over the past decade. The second
consideration is to add an option of the arrearage number based on 462 MMBF with the volume harvested over the next year, and sustainable harvest level set for the remaining nine years.

Dean Mittelhammer asked if we should be applying 702 to options 1 through 3, to not overly constrain the model. Mr. Blum stated that he was trying to be conscious of staff time with options as we move forward with incorporating these choices to analyze with the marbled murrelet strategy.

Director DeLuca asked if there is an opportunity to mix and match the options at a future time. Mr. Blum responded by stating that a future opportunity to mix and match options does exist. Commissioner Goldmark asked if that would satisfy Dean Mittelhammer desire to apply 702 to more than one option. Dean Mittelhammer responded that it does.

Director DeLuca asked how 702 MMBF based on a proportional distribution in the previous decade would be distributed amongst sustainable harvest units. Mr. Blum responded by stating that if the Olympic Experimental State Forest (OESF) sustainable harvest unit was in arrears in the previous decade by 218 MMBF, for example, then we would harvest 218 MMBF for the arrearage.

Director DeLuca asked if the ecological catch up option would increase the harvestable land area, specifically in Clallam County, significantly compared to using traditional silviculture. Mr. Blum stated that if we can continue with the timeline to complete a long-term conservation strategy in parallel with the sustainable harvest calculation then we could potentially have more of the land base available. Commissioner Goldmark stated that two other restraints over the past decade have been the request from US Fish and Wildlife Service relevant to the Marbled Murrelet Management Areas (MMMA’s) and the 2007 Settlement Agreement.

Commissioner McEntire stated that he favors the idea of bringing in the gross number in addition to the net number, to provide the board with options for addressing this issue. He stated that eventually we will have to get to a decision, one that is in the best economic interest of the trusts.

The Board members unanimously agreed to move forward with analysis for the options with the additional recommendations presented at this meeting.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST
Phillip Kitchel, citizen, states his support of the baseline analysis as discussed by the Board in previous meetings. Mr. Kitchel comments on the importance of DNR seasonal camp crews and urges DNR to make those positions permanent as opposed to seasonal.

Meeting Adjourned 10:05AM.
Approved this 3rd day of November, 2015

[Signature]

Peter Goldmark, Washington State Commissioner of Public Lands

[Signature]

JT Austin, Designee for Governor Jay Inslee

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Randy Dorn, Superintendent of Public Instruction

[Signature]

Jim McEntire, Commissioner, Clallam County

[Signature]

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

[Signature]

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

Attest:

[Signature]

Sarah Vansot, Board Coordinator