Minutes
Special Board of Natural Resources Meeting
October 17, 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
JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor
Thomas H. DeLuca, Director, School of Environmental and Forest Sciences, University of Washington —
via conference call
Ron C. Mittelhammer, 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 phone.

Chair Goldmark remarked that the Board is very determined to continue its work with the long-term conservation strategy and the sustainable harvest calculation.

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

PUBLIC COMMENTS FOR CHAIR REPORT
Brian Garrett, representing the Port Angeles Business Association, spoke about the duty of the Department regarding the arrearage and the 92 MMBF not harvested in Clallam County. Mr. Garrett asked the Board to report on the timber sales volume not harvested in the riparian areas and explain the reason why.

Randy Bartelt, Log Buyer with Port Angeles Harwood and Commissioner with the Washington Hardwood Commission, spoke about the past decadal arrearage as it related to the riparian zones and its effect on their mills. Mr. Bartelt urged the Board to select a scenario that maximizes harvest within the riparian management areas.
Joe Monks, Vice Chairman of the Washington Hardwoods Commission, spoke about the impacts of riparian harvest on the Sustainable Harvest Calculation. Mr. Monks asked about the two harvest options DNR staff provided. He questioned if they meet the intent of the riparian management expectations of the HCP and if they align with the fiduciary obligation for the Department to the trust beneficiaries.

John Anderson, employee of Northwest Hardwoods, spoke about the riparian harvest. Mr. Anderson stated that Northwest Hardwood is dependent on DNR timber volume. He encouraged the Board to do active management in the riparian areas.

Mary Bond, representing the Seattle Audubon, asked the Board to consider enacted buffers for the marbled murrelets as they consider the sustainable harvest calculation, and asked the Board to plan now for the increasing impacts climate change will have on riparian areas in our state forest.

Arianne Jaco, representing the Washington Environmental Council, spoke about the Sustainable Harvest Calculation (SHC). The Sustainable Harvest Calculation should be conservative to reflect the riparian logging limitations. Ms. Jaco recommended that the Board consider an alternative that features no logging in riparian buffers and the minimal economic benefit in harvesting in riparian buffers.

**CHAIR REPORT**

**Marbled Murrelet Long-term Conservation Strategy**

Kyle Blum, Deputy Supervisor for State Uplands

The topic of Mr. Blum’s presentation was scenario volumes for riparian thinning options, similar to what he has previously done with arrearage and marbled murrelet options. He once again began by reiterating the Board’s trust mandate.

For context, Mr. Blum noted that the Department has only harvested approximately 10% of what was projected for riparian harvest in the past 10-year period. He showed that harvests have been on an upward trend in recent years however, following the economic downturn that had occurred shortly after the Riparian Forest Restoration Strategy adoption.

Riparian harvest levels are closely tied to costs. Mr. Blum shared the costs that went into the model. Direct and indirect costs were slightly higher for riparian thinnings than either variable retention harvests or non-riparian thinnings, due to extra field work that’s required in setup and compliance.

Mr. Blum then described the riparian scenarios under consideration. First he made clear that riparian management for OESF follows the recent OESF Land Plan for both scenarios. For the rest of the planning area, two variations were analyzed. One option allowed the model to harvest 1% of the number of acres of upland harvest. The second option allowed the model to harvest 10% of riparian land base.

The scenario harvest levels for the two scenarios showed very little difference. A slight difference in decades 3, 4, and 5 was present. Mr. Blum explained the small difference by
showing the actual number of acres harvested. Despite the 10% of Riparian Land Base option allowing approximately 35,000 additional acres for thinning, the model only chose to harvest approximately 10,000 additional acres.

Because the model chose not to harvest the full allowable limit, a third model run was completed that forced the model to harvest the full 10% of the riparian land base. That run showed that for both decade 1 and for the entire 10 decade period, directing the model to harvest the entire allowable level, the NPV went down. Over the 10 decade period, total volume harvested also went down. One reason for this is because the Department can only do one entry into a riparian area before the stand meets or is on a trajectory to meet desired future conditions. During the initial scenario run it postponed some harvests until areas had grown more and were optimized for harvest. Forcing the model to harvest sooner reduced the efficiency.

Mr. Blum then summarized the three scenario presentations that he had presented over the last few months. For each variable he shared the range between its scenarios. Between the marbled murrelet scenarios there was a range of 98 mmbf/year, 21mmbf/year between the arrerage scenarios, and 5 mmbf/year between the riparian scenarios.

Dean Mittelhammer restated, to clarify, that the take away from the presentation was that maximizing the 10% of riparian land base did not seem like a reasonable option, due to the lower volume and lower NPV it produced. Mr. Blum agreed, but added that the numbers are so closely tied with cost and NPV assumptions that some may want to dig further into the model before agreeing.

Dean Mittelhammer then asked Mr. Blum when, now that they’ve seen these variables separated, they would see all these moving parts put together. Mr. Blum responded that by possibly December the SHC alternatives could be presented which show the interaction between the variables. If the Board would like additional combinations of interactions, Mr. Blum stated that staff could generate and provide them.

Superintendent Dorn asked about the projection of the hardwood industry market. Mr. Blum was unable to respond specifically, but noted that the Department has been planting more hardwoods because the demand seems to be there.

Dean Mittelhammer then asked about evaluating alternatives at the trust level. Mr. Blum reemphasized that the Board’s obligation is to make a decision in the best interest of each of the beneficiaries they are responsible for. Dean Mittelhammer noted that optimizing the return to each beneficiary might not be possible. Director DeLuca added that it is not required to optimize the decision for each beneficiary, only to be beneficial. Mr. Blum reminded everyone that the HCP was not equally beneficial for every beneficiary, but that it was determined that the adoption was better for everyone, relative to not adopting it.

Chair Goldmark asked about November and future timelines. Mr. Blum stated that the DEISs will be released on December 2 and undergo a 90 day public comment period. Comments will be gathered, and the Department will respond to those comments. A final EIS will then need to be crafted. The board will then need to pick their preferred course of action. It is at the Board’s
discretion when they want to pick their preferred course of action. Mr. Blum has kept November open, and asked the Board for what they would like to see.

Dean Mittlehammer asked about quantifiably articulating what it means to be in the best interest of the beneficiaries, and let the model use that as a tool to help inform the decision. Mr. Blum referenced the Policy for Sustainable Forests as a place where an attempt has been made to define those terms.

Chair Goldmark asked to see assumptions behind NPV, and NPV for the marbled murrelet scenarios at the November meeting. The Board agreed with this request.

Meeting adjourned at 10:07 AM.
Approved this 15th day of December, 2016

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Peter Goldmark, Washington State Commissioner of Public Lands

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JT Austin, Designee for Governor Jay Inslee

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Randy Dorn, Superintendent of Public Instruction

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

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

Attest:

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Sarah Vansot, Board Coordinator