Minutes
Board of Natural Resources Meeting
December 1, 2015
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT
The Honorable Peter Goldmark, Washington State Commissioner of Public Lands
The Honorable Jim McEntire, Commissioner, Clallam County – via conference call
The Honorable Randy Dorn, Superintendent of Public Instruction – via conference call
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 – via conference call

BOARD MEMBERS ABSENT
JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor

CALL TO ORDER
Chair Goldmark called the meeting to order at 9:15 AM.

All Board members introduced themselves. Chair Goldmark noted there was a quorum for the meeting with Commissioner McEntire, Director DeLuca, and Dean Mittelhammer participating via phone. He thanked the Board members and the public for their patience due to the technical difficulties with the phone system.

Superintendent Dorn joined via phone at 9:50 AM.

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 November 3, 2015 Regular Board of Natural Resources Meeting and the October 15, 2015 Special Meeting.

Commissioner McEntire made a correction to line 16 of the regular minutes. He recommended changing nine percent of marbled murrelet habitat to 11 percent.
MOTION: Dean Mittelhammer moved to approve the minutes.

SECOND: Commissioner McEntire seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST
Matt Comisky, Washington Manager for AFRC, introduced those that joined him, including representatives from Port Angeles Hardwoods/Cascade Hardwoods Group, Washington Contract Loggers Association, Boise Cascade, Interfor, and Sierra Pacific Industries, expressed the importance of the program to help the beneficiaries.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS
Randy Bartelt, representing Port Angeles Hardwood/Cascade Hardwood, spoke about the importance of state timber sales to keep their mills operating. Mr. Bartelt encouraged the Board to make more hardwood available to keep their mills open and employees working.

Kevin Arneson, Washington Resource Manager representing Boise Cascade, asked the Board to continue their land management activities. Mr. Arneson stated that he supports the Board’s efforts to remove the dying materials that was created by the recent fires, and to continue the long term sale program on the Eastside. He encouraged the Board to look for increased opportunities to treat more DNR acres across the region.

Russ Pfeiffer-Hoyt, Chair of the Washington State School Directors’ Association Trust Land Task Force, spoke in favor of the proposed Eastside timber sales. DNR’s efforts to restoring and recovering these damaged sites for productivity is vital to future generations.

TIMBER SALES (Action Item)
Post-disturbance Management on Forested State Trust Lands of Washington
Angus Brodie, Forest Resources Division Manager

Mr. Brodie gave a presentation to the Board on DNR’s approach to post-disturbance management on forested state trust lands, highlighting wildfires in Eastern Washington and DNR’s response to wildfire disturbance.


Mr. Brodie noted two main guiding principles: to retain pre-disturbance objectives and to recognize that recover of value materials or “salvage” as an economic activity, remarking that there are three areas of policy that guide these principles: (1) statute, RCW 79.15.210 and RCW 79.15.220; (2) the Policy of Sustainable Forests; and (3) the Habitat Conservation Plan. He stated that the Department will take a general approach to determine the extent and level of the damage. Next, the Department will screen the areas within the fire boundaries to determine
where it might be possible to conduct a harvest activity. This screening involves using burn
severity conditions, slope, and soil information. Lastly, the Department will determine how much
of the damaged materials can be recovered considering the financial outcome and budget
constraints.

Mr. Brodie provided details on the screening process within the burn areas.

Chair Goldmark asked how long this process has been in place, and Mr. Brodie answered that the
process in place has been implemented by the regions for the last 10 years and additionally
finalized within the last year.

Mr. Brodie touched on post-harvest treatments: reforestation and the challenges DNR faces.

Director DeLuca applauded the use of extra filters for looking at these sites prior to the sale and
asked if there are any consideration of factors of soil exposure and total consumption of the
forest floor, a filter that might be beneficial to the sites.

Mr. Brodie answered that slope length and the extent of the slope involved is a step in the sale
layout to include how much of the soil area will be disturbed and if it will be ground harvested,
noting that during the sale design we get to a more specific level when putting boots on the
ground. He added that during the timber sale design process all existing Department policies and
procedures still remain in place in addition to considering the environmental conditions of the
recently burned area.

Chair Goldmark remarked about the salvage operation on the Carlton Complex that occurred
post fire in 2014 and the tremendous efforts made to stabilize the slopes.

Proposed Timber Sales for December 2015 & January 2016 – 3 handouts, including the
presentation
Tom Shay, Product Sales & Leasing Division

Mr. Shay presented the results of the November 2015 auction to the Board. The Department
offered 13 sales totaling 42.1 MMBF in November. Of those, 12 sales sold, totaling $10.2
million for an average of $275 per MBF.

Mr. Shay remarked that bidder interest remained high and the prices received at auction were
very close to the Department’s appraised values for November sales. Mr. Shay noted that the
sale which received no bids will be re-evaluated and likely re-offered in February 2016.

Mr. Shay then presented the proposed sales to the Board.

Dean Mittelhammer asked for clarification on the sale package as the Board initially received
two packets of sales. Mr. Shay clarified that initially there was a packet of regular “green” sales
and a packet of “salvage” sales that were going to be close in making it to the Board due to
SEPA and Forest Practices approvals. Mr. Shay said that two sales were removed from the
“salvage” packet (Cougar Fire Salvage Sorts and Tower Fire Salvage) with the remaining
“salvage” sales being incorporated into a single Board packet with the “green” sales.
MOTION: Dean Mittelhammer moved to approve the sales proposed in December 2015.

SECOND: Commissioner McEntire seconded the motion.

ACTION: The motion was approved unanimously.

PUBLIC COMMENTS FOR PURCHASE/SALE AGREEMENT FOR KILOWATT QUARRY (ACTION ITEMS)
None.

PURCHASE/SALE AGREEMENT FOR KILOWATT QUARRY (ACTION ITEMS)
Darin Cramer, Product Sales and Leasing Division Manager
Todd Welker, Southeast Region Manager

Mr. Cramer presented the proposal to auction a valuable material purchase/sale agreement for the Kilowatt Quarry in Klickitat County.

The Kilowatt Quarry is a 15 acre basalt quarry located approximately 20 miles north of White Salmon on Highway 141, and contains approximately 104,000 cubic yards (~135,000 tons) of rock. The quarry has not been active since the 1990s, and has been attracting public abuse (garbage dumping, shooting). At least two local operators have expressed interest in the quarry; therefore, SE Region would like to put the material up for auction. The Department holds approved surface mining reclamation and conditional use permits for the quarry.

The region is proposing to auction a ten-year contract with a minimum bid of $.75/ton and minimum annual royalty of $5,000. Market surveys in the area indicate similar material is selling for $7 - $10/ton (retail) dependent upon quality and size. Seventy five cents per ton minimum bid would therefore be approximately a 10% royalty rate, which is within the typical range for rock, sand and gravel contracts in rural areas. We anticipate competition at the auction, therefore a higher rate and/or a bonus bid is plausible.

The total appraised value estimate, and minimum acceptable bid, should a bidder propose to remove all valuable material, is $101,250 (135,000 tons x $.75). Note this total appraised value does not include the periodic price adjustment based on the Producer Price Index for rock, sand and gravel, which is a standard clause in our long-term purchase/sale agreements.

Director DeLuca asked about the history of the quarry. Mr. Cramer answered that it was active in the 90's and the lease expired in late 90's-2000. Mr. Welker added that the previous lessee was not making enough money.

Mr. Cramer asked the Board for approval of the auction.

MOTION: Director DeLuca moved to approve.

SECOND: Dean Mittelhammer seconded the motion.

ACTION: The motion was approved unanimously.
Chair Goldmark adjourned the Board of Natural Resource meeting and convened the Board on Geographic Names.

PUBLIC COMMENTS FOR BOARD ON GEOGRAPHIC NAMES (ACTION ITEMS)
None.

BOARD ON GEOGRAPHIC NAMES (ACTION ITEMS)
Caleb Maki, Executive Secretary, Board on Geographic Names

Mr. Maki presented the following name proposals, recommended by the Committee on Geographic Names, for consideration to the Board on Geographic Names:

Name Proposal: Cooper Creek, Vancouver Notch, and Wildcat Pond

MOTION: Dean Mittelhammer moved to approve.
SECOND: Commissioner McEntire seconded the motion.
ACTION: The motion was approved unanimously

Chair Goldmark adjourned the Board on Geographic Names and reconvened the Board of Natural Resource meeting.

PUBLIC COMMENTS FOR CHAIR REPORT
Maria Ruth, member of the Black Hills Audubon Society, provided the Board with the accurate total estimated marbled murrelet population. Ms. Ruth added that she hopes that going forward 356,246 is the number used to describe the population.

Kevin Schmelzlen, with the Marbled Murrelet Survival Project, thanked the Board for approving the set of alternatives at the November Board meeting.

CHAIR REPORT
Kyle Blum, Deputy Supervisor for State Uplands

Mr. Blum briefed the Board on the accurate total estimated marbled murrelet population provided by Maria Ruth and gave a quick update on the project. He stated that they will continue to move forward and start on the environmental analysis in the EIS.

Meeting Adjourned 10:14 AM.
Approved this 5th day of January, 2016

[Signature]

Peter Goldmark, Washington State Commissioner of Public Lands

[Signature]

JT Austin, Designee for Governor Jay Inslee

absent

Randy Dorn, Superintendent of Public Instruction

[Signature]

Bill Peach, Commissioner, Clallam County

via conference call

Ron Mittelhammer, 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 Vansot, Board Coordinator