
Minutes

Board of Natural Resources Meeting

March 10, 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

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

The Honorable Randy Dorn, Superintendent of Public Instruction

BOARD MEMBERS ABSENT

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

1 CALL TO ORDER

2 Chair Goldmark called the meeting to order at 9:00 AM. All Board members introduced
3 themselves. Chair Goldmark noted there was a quorum for the meeting, with Director DeLuca
4 participating via conference call.

5
6 Chair Goldmark announced that Commissioner McEntire and Director DeLuca will serve on a
7 subcommittee to look into the issue around arrearage and will bring back options to the Board for
8 consideration.

9
10 Chair Goldmark remarked that the Board will not change the order of business in terms of public
11 comments and will continue with the existing protocol.

12 SAFETY REVIEW

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

15 APPROVAL OF MINUTES

16
17 Chair Goldmark called for approval of the minutes for the February 3, 2015 Regular Board of
18 Natural Resources Meeting.

19
20

1 MOTION: Dean Mittelhammer moved to approve the minutes.

2
3 SECOND: Commissioner McEntire seconded the motion.

4
5 ACTION: The motion was approved unanimously.

6
7 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

8 No comments.

9
10 **TIMBER SALES (Action Items)**

11 **Proposed Timber Sales for April 2015| 3 handouts, including the presentation**

12 Tom Shay, Product Sales & Leasing Division

13
14 Mr. Shay presented the results of the February auctions to the Board. The Department offered 13
15 sales totaling 53.8 MMBF in February. Of these, 11 sales sold with one delivered log sale
16 pending until four unsold sorts are re-offered. The 11 sold sales and sold sorts of the delivered
17 log sale totaled \$16.5 million for an average of \$399 per MBF.

18
19 Chair Goldmark asked for more clarification about the sales that did not sell.

20
21 Mr. Shay shared that one sale was a small variable density thinning with a large amount of road
22 work that will be re-evaluated.

23
24 Mr. Shay then discussed the second sale that did not sell and noted that there was interest in the
25 sale; however, minor issues lead to there being no bids. This sale has been re-evaluated and will
26 be re-offered in April.

27
28 Mr. Shay then discussed the delivered log sale in more detail. He stated that four sorts did not
29 sell in their initial offerings, but were reappraised and sold on March 6. The results of these four
30 sorts will be included in the March 2015 auction results.

31
32 Mr. Shay then presented the proposed April 2015 sales to the Board.

33
34 Mr. Shay asked for approval of the proposed April 2015 sales.

35
36 MOTION: Commissioner McEntire moved to approve the proposed April 2015 sales.

37
38 SECOND: Dean Mittelhammer seconded the motion.

39
40 ACTION: The motion was approved unanimously.

41
42 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

43 Ed Letcher, representing Tahoma Chapter of the Back Country Horsemen of Washington,
44 thanked the Board and staff for the work that was done on the BBQ Flats land transaction.

45
46 Kim Markus, representing Back Country Horsemen of Washington, urged the Board to support
47 the BBQ Flats land transaction.

1 Wes McCart, Stevens County Commissioner, urged the Board to support the Lake Spokane
2 Acquisition.

3
4 Don Boltz, representing Tahoma Chapter of the Back Country Horsemen of Washington, spoke
5 in support of the BBQ Flats land transaction.

6
7 Jim Peters and Mark Allen, representing the Squaxin Island Tribe, urged the Board to approve
8 the Squaxin Island land transaction. Mr. Peters expressed that he cannot overstate the
9 importance of these lands to the tribe, and thanked the Board and staff for all their work.

10
11 Arnold Bergstrom, Kitsap County Community Forester representing Kitsap County, spoke in
12 favor of the West Poulsbo Trust Land Transfer.

13
14 Karen Johnson, representing Back Country Horsemen of Washington, spoke in support of the
15 BBQ Flats land transaction.

16
17 Joan Fleming, representing Scatter Creek Riders Chapter of the Back Country Horsemen of
18 Washington, spoke in support of the BBQ Flats land transaction.

19
20 Dean Harford, member of Back Country Horsemen of Washington, spoke in support of the BBQ
21 Flats land transaction.

22
23 Phil Aune, Commissioner of Lake Spokane Parks and Recreation District, spoke in support of
24 the Lake Spokane Trust Land Transfer. Mr. Aune thanked DNR staff in the Trust Land Transfer
25 program for their great efforts and excellent work.

26
27 **LAND TRANSACTION (Action Items)**

28 **Trombetta Canyon Trust Land Transfer No. 02-090370; Resolution 1437**

29 Bob Winslow, Conservation, Recreation, and Transactions Division

30
31 Mr. Winslow presented the Trombetta Canyon Trust Land Transfer (TLT) to the Board. The
32 property is located in Stevens County southeast of the town of Northport, Washington. The
33 property is 760 acres in size, Common School Trust, and will be transferred to the Trombetta
34 Canyon Natural Area Preserve managed by DNR. It is the largest property in the approved
35 Natural Area Preserve boundary, and includes all of the trust land within the boundary.

36
37 Mr. Winslow stated the topography of the property is steep, with second growth timber. The
38 total appraised value is \$1,740,000, with the land valued at \$350,000 (\$461/acre) and the 6,284
39 MBF of timber valued at \$1,350,000. The timber value will be transferred to the Common
40 School Construction Account, and the land value will be transferred to the Real Property
41 Replacement Account. On and near the property are rare plants, including the hoary willow
42 (state threatened), yellow mountain-avens (state sensitive) and Stellar's rockbrake (state
43 sensitive).

44
45 Mr. Winslow recommended approval of Resolution 1437.

46
47 **MOTION:** Dean Mittelhammer moved to approve Resolution 1437.

1
2 SECOND: Commissioner McEntire seconded the motion.

3
4 ACTION: The motion was approved unanimously.

5
6 **Lake Spokane Trust Land Transfer No. 02-090361; Resolution 1438**

7 Bob Winslow, Conservation, Recreation, and Transactions Division

8
9 Mr. Winslow presented the Lake Spokane Trust Land Transfer (TLT). The property is located in
10 Stevens County northwest of Spokane and south of TumTum, Washington. The property is
11 40.24 acres in size, Common School Trust, and will be transferred to the Lake Spokane Parks
12 and Recreation District.

13
14 Mr. Winslow stated the property was harvested in 2014 to reduce wildfire hazards, and contains
15 scattered Ponderosa pine trees. The adjacent properties are rural residential housing. The center
16 portion of the property is a steep bluff, and the northern portion of the property is a level bench
17 with two county roads. The overall property value is \$765,000 which is entirely land value
18 which equals \$19,011 per acre. He added that the land value will be transferred to the Real
19 Property Replacement Account.

20
21 Mr. Winslow recommended approval of Resolution 1438.

22
23 MOTION: Dean Mittelhammer moved to approve Resolution 1438.

24
25 SECOND: Commissioner McEntire seconded the motion.

26
27 ACTION: The motion was approved unanimously.

28
29 **West Poulsbo Trust Land Transfer No. 02-090371; Resolution 1439**

30 Bob Winslow, Conservation, Recreation, and Transactions Division

31
32 Mr. Winslow presented the Lake Spokane Trust Land Transfer (TLT). The property is located in
33 Kitsap County, west of Poulsbo, Washington. The property is 186.32 acres in size, Common
34 School Trust, and will be transferred to Kitsap County for wildlife habitat, recreation or open
35 space. The property is mostly young conifer plantations and was most recently harvested in
36 2010. There is some merchantable timber on the portion of the property located east of Highway
37 3. The adjacent properties are primarily rural residential housing.

38
39 Mr. Winslow stated that the overall property value is \$1,470,000 which is \$7,890 per acre, and
40 consists of \$122,000 of timber value and \$1,348,000 of land and forest reproduction value. The
41 timber value will be transferred to the Common School Construction Account, and the land and
42 forest reproduction value will be transferred to the Real Property Replacement Account.

43
44 Mr. Winslow recommended approval of Resolution 1439.

45
46 MOTION: Commissioner McEntire moved to approve Resolution 1439.

1 SECOND: Dean Mittelhammer seconded the motion.

2
3 ACTION: The motion was approved unanimously.

4
5 **BBQ Flats Acquisition No. 08-082498; Resolution 1440**

6 **BBQ Flats Exchange No. 86-092173; Resolution 1441**

7 Todd Welker, Southeast Region Manager accompanied by Brock Milliern, Assistant Manager,
8 Conservation, Recreation and Transactions Division

9
10 Mr. Welker first introduced himself and then Brock Milliern, manager of the Recreation
11 program. He then described the overall location of BBQ Flats as westerly of and almost midway
12 between Ellensburg and Yakima in northern Yakima County.

13
14 For many years BBQ Flats has been a popular recreation site. However, in recent years access to
15 the site across private landowners has been sporadic or non-existent. In 2013 the Legislature
16 appropriated \$500,000 to DNR to improve the access situation and again re-open BBQ Flats as a
17 recreation area.

18
19 The negotiated plan with adjacent landowners is multi-faceted. DNR has agreed to purchase a
20 60 foot strip which will provide permanent access. As part of the negotiations, DNR will also
21 purchase a private inholding in the area of BBQ Flats. In addition, DNR will exchange 80 acres
22 of trust land for 80 acres of private land with the objective of continued access. To reduce the
23 potential for recreationists trespassing on private land, fencing will be installed, signage placed
24 strategically, and vault toilets constructed on the state land.

25
26 Mr. Welker stated the purchase price of the section of land comprising 567.54 acres is \$284,000.
27 DNR has also agreed to pay \$16,000 for the 60 foot strip acquired for the new road, which DNR
28 will build.

29
30 In the land exchange DNR will trade 80 acres in the S1/2SW1/4 of Section 10 for 80 acres of
31 private land in the S1/2S1/2S1/2 of Section 15, all in Township 16 North, Range 16 East. The
32 value and acres are equal. A public hearing for the exchange was held on January 20, 2015 in
33 Selah, Washington. No oral testimony was received from the 40 attendees, but 6 written
34 comments were submitted in support of the exchange.

35
36 Mr. Welker recommended approval of Resolution 1440 and Resolution 1441.

37
38 MOTION: Commissioner McEntire moved to approve Resolution 1440 and 1441.

39
40 SECOND: Dean Mittelhammer seconded the motion.

41
42 ACTION: The motion was approved unanimously.

43
44 **Squaxin Island Direct Transfer No. 02-081891; Resolution 1442**

45 Jed Herman, Manager, Conservation, Recreation and Transactions Division

1 Mr. Herman identified that the proposal is to direct transfer trust land to the Squaxin Island
2 Tribe. He then described the transfer's location as being approximately 10 miles north of
3 Olympia and 10 miles east of Shelton in southeast Mason County.

4
5 Mr. Herman touched on its establishment as the Squaxin Island Tribe's reservation under the
6 1884 Medicine Creek Treaty, how individual tribe members received deeds to specific parcels on
7 the Island, and shared that some of the allotments were sold to non-tribal persons. In 1974-1975
8 about 310 acres in non-tribal ownership was gifted to the State of Washington Department of
9 Natural Resources to be managed as trust land.

10
11 The Squaxin Island Tribe owns the aquatic tide lands and much of the uplands, thus controlling
12 access to the lands within its Reservation, including the State lands, severely impacting trust
13 management activities and values of trust assets within the Reservation.

14
15 Because of the uncertainty about which land use roles would apply, the property was appraised
16 under two scenarios to determine a range for the market value. Under the first scenario tribal law
17 and regulations were applied to the State lands, and the appraiser concluded a value of \$310,000.
18 In the second appraisal scenario the appraiser assumed that only state and county laws and
19 regulations applied to the State land. The appraiser's concluded market value under scenario 2
20 was \$740,000.

21
22 The negotiated value of \$445,380 is at the lower end of the range based on the risk of actually
23 being able to economically harvest timber where no access is available and the timber is
24 considered remote (on an island), as well as the uncertainty regarding whether the state or the
25 tribe would control harvest prescriptions.

26
27 Mr. Herman recommended approval of Resolution 1442.

28
29 MOTION: Commissioner McEntire moved to approve Resolution 1442.

30
31 SECOND: Dean Mittelhammer seconded the motion.

32
33 ACTION: The motion was approved unanimously.

34
35 **PUBLIC COMMENTS FOR SUSTAINABLE HARVEST CALUCATION (SHC)**

36 Marcy J. Golde, Olympic Forest Coalition Board member, urged the Board to look at the
37 Skamania decision and its relationship to the marbled murrelet protection, and to consider the
38 original context during the time of that decision.

39
40 Linda Murtfeldt, representing the Seattle Audubon, stated the habitat ownership map appears to
41 be misleading because the map does not portray where the high or moderately high DNR
42 managed lands are located. Ms. Murtfeldt expressed that she would like to see DNR provide a
43 map to the Board that identifies where the high or moderately high suitable marbled murrelet
44 habitats are on DNR land. She noted that the long-term conservation strategy must contribute to
45 the marbled murrelet recovery, in addition to minimizing and mitigating the standard. The
46 benefits to doing the long-term conservation strategy before the sustainable harvest calculation

1 should fulfill the original commitment under the HCP to contribute to the recovery of the
2 marbled murrelets.

3
4 David Marshall, representing Sierra Pacific Industries, stated the current arrearage question
5 needs to be considered separately from the sustainable harvest calculation. Mr. Marshall urged
6 DNR to conduct a detailed economic analysis of each option brought forth to the Board, and
7 make a decision based on the best economic benefit to the trust. He noted that the arrearage and
8 trust land transfer are important items that need to be analyzed in a way that the fiduciary
9 responsibilities of the trust are met and the DNR timber program stays intact.

10
11 Mike Davis, Division Forester for the Cowlitz Division of Hampton Lumber, encouraged the
12 Board to remain within the confines of the existing Policy for Sustainable Forests and maintain a
13 narrow scope and focus with the adoption of the new harvest calculation. Reopening the
14 successful policy would deplete valuable resources.

15
16 Paul Bialkowsky, Timber Manager, representing Interfor, stated that Interfor strongly supports
17 and encourages the Department's effort along with the Federal services to develop a long-term
18 strategy for the conservation of the marbled murrelet habitat and, at the same time, develop a
19 new sustainable harvest calculation. Mr. Bialkowsky remarked that DNR has a fiduciary
20 obligation to the beneficiaries and should be in compliance with all Federal and State laws
21 including the Federal Endangered Species Act. He added the marbled murrelet long-term
22 conservation strategy alternatives need to be analyzed together with the sustainable harvest.

23
24 Kevin Schmelzlen, with the Marbled Murrelet Survival Project, stated he believes the Skamania
25 decision in the court case is inaccurate and irrelevant to the marbled murrelet long-term
26 conservation strategy. He expressed that the conservation community believes there should not
27 be an alternative that does not take the marbled murrelet survival into consideration.

28
29 Cheryl Heywood, Library Director, representing the Timberland Regional Library, stated the
30 Timberland Regional Library is a trust beneficiary and relies heavily on the revenue from DNR
31 timber sales.

32
33 John Brown, citizen, stated that the long-term conservation strategy should have been completed
34 by now.

35
36 Matt Comisky, Washington Manager for American Forest Resource Council (AFRC), urged the
37 Board to direct staff to keep the scope of the project narrow and focused. Mr. Comisky stated
38 that he hopes to see DNR adopt an updated sustainable harvest calculation harvest level and be
39 able to complete the marbled murrelet long-term conservation strategy in a timely manner.

40
41 Wyatt Golding with the Washington Forest Law Center, representing the Olympic Forest
42 Coalition, the Sierra Club, and Seattle Audubon, stated that the conservation groups asked that
43 DNR finish the projects it started in the order in which it started them. Mr. Golding asked the
44 Board to consider what would happen if all three projects were combined and USFWS then
45 comes back and rejects the long-term strategy. He then asked the Board when facing the biggest
46 change in land management, how the Board can think about future generations, perpetuity, and
47 act prudently without taking into account climate change?

1
2 Rod Fleck, City Attorney for Folks, thanked the Board for going through the trust land
3 obligation, and asked that it be revisited. Mr. Fleck believes the challenge the Board will have is
4 to balance the marbled murrelet and the obligation of the trust manager responsibilities. He
5 urged the Board to take the marbled murrelet long-term conservation strategy and the sustainable
6 harvest calculation concurrently. He also encouraged the Board to evaluate the differences
7 between what is required to meet the obligation DNR has, versus what the advocates may want
8 for the marbled murrelets.

9
10 Joe Monks, representing the Washington Harvest Commission, AFRC, and NW Hardwoods
11 Incorporate, stated that his companies depend heavily on DNR timber. Mr. Monks expressed
12 that the arrearage volume needs to be accounted for.

13
14 Art Wang, President of the Tahoma Audubon, asked the Board to consider the overall
15 responsibilities under the Endangered Species Act which includes recovery as well as
16 conservation. Mr. Wang believes it is important to get the long-term conservation strategy into
17 effect. He noted the priority needs to be on forest lands that are closer to the ocean to provide
18 workable habitat for the marbled murrelets.

19
20 Shawn Cantrell, Northwest Regional Director for Defenders of Wildlife, stated that DNR land
21 within the range of the marbled murrelet is 11% of marbled murrelet habitat, but overlooks a key
22 piece of information the Board should keep in mind as they continue with the process. Mr.
23 Cantrell stated that in some specific areas DNR's ownership is disproportional to the amount of
24 murrelet habitat. Mr. Cantrell believes substantial habitat restoration across much of the DNR
25 managed land base is central to achieving conservation objectives and making a significant
26 contribution to maintaining and protecting marbled murrelets population in western Washington.

27
28 Graham Taylor, Conservation Organizer with the Sierra Club, thanked the DNR for reaching out
29 to the Sierra Club and the marbled murrelet survival project and its endeavor to raise money for
30 the encumbered lands program. The long-term conservation strategy should be the priority. Mr.
31 Taylor reminded the Board about the Governor's climate agenda, and asked the Board to
32 consider the impacts climate change will have on the responsibilities of the DNR. He then
33 encouraged the Board to adopt the science based long-term conservation strategy for the marbled
34 murrelet.

35
36 Jennifer Ginn, University of Washington student, urged the Board to consider the most
37 conservative long-term conservation strategy for the marbled murrelet.

38
39 **SUSTAINABLE HARVEST CALCULATION (SHC)**
40 **MM HABITAT BY OWNERSHIP**

41 Kyle Blum, Deputy Supervisor for State Uplands

42
43 Mr. Blum presented information in regards to a question that was asked by Commissioner
44 McEntire at the February meeting. Commissioner McEntire asked to understand how DNR's
45 habitat ownership fits within the broader context of the state and other ownerships. Mr. Blum
46 presented information provided by Maxent, which is a tool that was utilized in the Northwest

1 Forest Plan Status and Trend of Marbled Murrelet. Maxent shows that 11% of marbled murrelet
2 habitat is found on DNR lands.

3
4 **SHC SCOPING PRESENTATION**

5 Kyle Blum, Deputy Supervisor for State Uplands

6 Mr. Blum presented information around comments received through the scoping process for the
7 Sustainable Harvest Calculation. The presentation explained the length of the comment period,
8 the public meeting webinars, and a list of organizations/individuals comments were received
9 from.

10
11 Mr. Blum also talked about what comments the scoping notice requested input on, and what
12 additional areas comments were received on.

13
14 Mr. Blum reminded the Board members of the two scoping phases for the Marbled Murrelet
15 Long-term Conservation Strategy. Since the planning projects are so closely linked he wanted to
16 revisit the information received from the public during that scoping process as well.

17
18 Mr. Blum also provided an update on the Biological Implications work for the Marbled Murrelet
19 Long-term Conservation Strategy. DNR and USFWS have been working on how to take habitat
20 impacts and equate them with population impacts. DNR and USFWS decided to contract with a
21 University of Wisconsin professor, Zac Perry, to help with population viability analysis. This
22 work will delay the information by a couple of months while Professor Perry completes his
23 work. After information regarding biological implications is completed, alternatives can be
24 brought to the Board.

25
26 For the Sustainable Harvest Calculation, the Purpose and Need statement will be brought back to
27 the April meeting for any necessary revisions and approval.

28
29 **MARBLED MURRELET LONG-TERM CONSERVATION STRATEGY AND**
30 **SUSTAINABLE HARVEST CALCULATION**

31 Kyle Blum, Deputy Supervisor for State Uplands

32
33 Mr. Blum presented information on timing for the ongoing planning projects. Currently the
34 Board has provided direction to run the Sustainable Harvest Calculation (SHC) and Marbled
35 Murrelet Long-term Conservation Strategy (MMLTCS) concurrently. Mr. Blum wanted to
36 review this decision with the Board.

37
38 Mr. Blum presented information regarding the Board's trust mandate and regulations under the
39 Endangered Species Act. He also provided a list of some advantages and risks for completing the
40 projects concurrently. A list of advantages and risks were also presented for completing the
41 MMTLCS first and then completing the SHC. Mr. Blum asked the Board for feedback on the
42 timing around the planning projects.

43
44 Dean Mittelhammer stated that he understands the frustrations over how long the process is
45 taking, but as an economist and modeler, it would not make sense to do the planning projects
46 separately. He stated that because there is multiple options for meeting the environmental

1 obligations and the trust mandate, we have to understand how they interact. That is why the
2 Board decided to undertake the processes concurrently in the first place.

3
4 Superintendent Dorn stated that he understands that sometimes government does not move as
5 fast as we would like it to. He stated that he has also seen pretty dramatic errors when
6 government doesn't have all the information. He is supportive of the concurrent process.

7
8 Commissioner McEntire stated that he remembered language around the policy section in the
9 State Environmental Policy Act (SEPA) for decision making bodies like the Board of Natural
10 Resources to achieve harmonious balance for economic values and the environmental values. In
11 that context he believes that both planning projects are intertwined. Secondly, he stated that he
12 remembers asking if there was any significant change in statute that would drive a change for
13 Policy for Sustainable Forests. The response to his question was no. Without having a change in
14 statute he stated he is not interested in reopening policy. He also stated that he is in strong
15 agreement that each of these planning projects inform the other, and is supportive of pursuing
16 these processes concurrently.

17
18 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

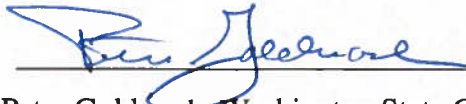
19 Linda Murtfeldt, representing the Seattle Audubon, stated the conservation groups are supportive
20 of the sustainable harvest calculation environmental impact statement letter submitted to the
21 Board in February, and asked the Board to consider its content.

22
23 Ann Forest Burns, Vice President, American Forest Resource Council (AFRC), stated that the
24 arrearage should be considered a separate issue and urged the Board to not include it in the
25 sustainable harvest calculation.

26
27 Jon Pincelli, citizen, stated DNR is overlooking a wetland zone directly behind the property
28 boundary south of his property. Mr. Pincelli asked the Board to reconsider the decision to
29 harvest in that area because he believes it is directly connected to marbled murrelet habitat.

30
31 Meeting adjourned at 11:50 AM

Approved this 7th day of April, 2015



Peter Goldmark, Washington State Commissioner of Public Lands

via conference call

JT Austin, Designee for Governor Jay Inslee

not present at the time

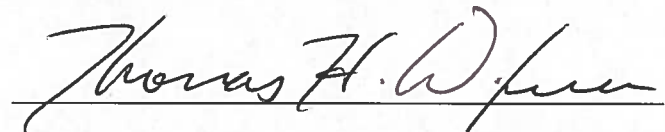
Randy Dorn, Superintendent of Public Instruction



Jim McEntire, Commissioner, Clallam County

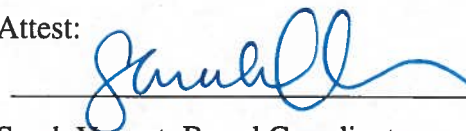
absent

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



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

Attest:



Sarah Vansot, Board Coordinator

