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# Minutes

## Board of Natural Resources Meeting

April 3, 2012  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

The Honorable Peter Goldmark, Washington State Commissioner of Public Lands  
Daniel J. Bernardo, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University – *via conference call*  
The Honorable Jon C. Kaino, Commissioner, Pacific County  
Bob Nichols, for the Honorable Christine Gregoire, Washington State Governor  
Dr. Thomas Hinckley, Interim Director, School of Environmental and Forest Sciences,  
University of Washington  
The Honorable Randy Dorn, Superintendent of Public Instruction

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### 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 is a quorum for this meeting.  
4

### 5 SAFETY REVIEW

6 Ms. Ishler gave a safety overview and instruction on evacuating the building in case of an  
7 emergency for the audience and board members.  
8

9 Chair Goldmark informed the audience and the board that he will call an Executive Session at  
10 the end of the meeting.  
11

### 12 APPROVAL OF MINUTES

13 Chair Goldmark called for approval of the minutes for the March 16, 2012, Board of Natural  
14 Resources meeting.  
15

16 MOTION: Mr. Nichols moved to approve the March 16, 2012 regular meeting minutes.  
17

18 SECOND: Director Hinckley seconded the motion.  
19

20 ACTION: The motion was approved unanimously.  
21  
22

1 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

2 No comments.

3  
4 **TIMBER SALES (Action Item)**

5 **Sales Results, Market Update, and Proposed Timber Sales for May 2012| 3 Handouts**

6 Paul Bialkowsky, Assistant Division Manager for Product Sales, Forest Resources and  
7 Conservation Division

8  
9 Mr. Bialkowsky presented the March sales results to the board members informing them that  
10 DNR auctions for March averaged 3.1 bidders per sale. Of the 12 sales offered 11 were sold,  
11 resulting in 34.8 mmbf of the volume offered being purchased. Sales brought an average of  
12 \$270/mbf and \$9.4 million dollars in value. One sale received no bids.

13  
14 Commissioner Goldmark asked Mr. Bialkowsky to elaborate on the no-bid sale. Mr. Bialkowsky  
15 remarked that the sale was a smaller cable thinning sale with a mixture of Douglas-fir and lower  
16 value hardwoods. The sale did initially receive one bid but that individual withdrew his bid prior  
17 to the sale being auctioned. Mr. Bialkowsky further remarked that the sale would be re-  
18 evaluated and possibly offered as a contract harvest sale.

19  
20 Commissioner Kaino asked for clarification on the process for withdrawing a bid at auction. Mr.  
21 Bialkowsky replied that when a sale is auctioned the apparent high bidder is asked whether they  
22 would like to withdraw bids for any subsequent sales prior to those bid openings. That was the  
23 case in this instance.

24  
25 Mr. Bialkowsky then presented the proposed May 2012 sales packet to the Board for approval.

26  
27 MOTION: Commissioner Kaino moved to approve the proposed timber sales for May 2012.

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29 SECOND: Director Hinckley seconded the motion.

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31 ACTION: The motion was approved unanimously.

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33 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

34 Jeromy Sullivan, Chairman; Port Gamble S'Klallam Tribe, expressed the tribes support for the  
35 relinquishment of mineral rights into the trust of the federal government. Chairman Sullivan  
36 provided the board members the history of this process beginning with the acquisition of the  
37 land. In 2010, the tribe entered into a letter of intent with BIA and DNR and at the  
38 encouragement the federal government, the tribe began work to transfer subsurface rights into  
39 federal trust in 2011. Chairman Sullivan ended this comment period with a request for the board  
40 to approve the mineral relinquishment transaction.

41  
42 Commissioner Kaino asked if the property has been acquired. Chairman Sullivan responded yes  
43 and confirmed the surface rights are held in trust as well.

44  
45 **LAND TRANSACTIONS (Action Item)**

46 **Mitchell Hill and Hansville Mineral Relinquishments| 3 Handouts**

47 Stephen Saunders, Division Manager, Asset and Property Management

1 **Mitchell Hill Mineral Relinquishment: 08-084597**

2 Mr. Saunders provided the board members an overview of the proposed transactions being  
3 brought forward for the board's consideration. He stated the requests for mineral estate  
4 relinquishments are unique and a new type of transaction for the board. Mr. Saunders informed  
5 the board of RCW 79.11.210, which declares that all sales of state lands requires that the state  
6 reserve the mineral rights. However, RCW 79.11.220 allows for the relinquishment of the  
7 mineral rights to the United States under certain conditions, which include the associated lands  
8 were originally granted or transferred by the federal government to the state and that the United  
9 States holds title to the surface estate. It also requires that no oils, gases, coal, ores, minerals or  
10 fossils have been discovered or are known to exist on lands proposed for mineral estate  
11 relinquishments.

12  
13 Mr. Saunders made note of previous requests that did not meet the initial criteria and were  
14 denied. Commissioner Kaino asked who denied the previous requests, noting that he didn't recall  
15 these coming before the board. Mr. Saunders responded that DNR staff determined that the  
16 requests did not meet the requirements for relinquishment due to the known presence of minerals  
17 and therefore the requests were not brought forward for board consideration.

18  
19 Mr. Saunders introduced the request by the National Park Service (NPS) for relinquishment of  
20 the mineral estate for the Mitchell Hill property. The property, located adjacent to the English  
21 Camp National Historic Park, was transferred to the San Juan County Land Bank, with the  
22 mineral rights reserved, then to the Conservation Fund, and finally to the NPS. The NPS has  
23 requested relinquishment of the mineral estate. A review by staff geologist and a separate review  
24 by the state geologist concluded that no mineral value is known or expected in association with  
25 this property. Mr. Saunders recommended approval of Resolution 1377.

26  
27 Mr. Kaino asked if there had been any exploration or research regarding the potential of oils,  
28 gases or minerals at this location. Mr. Saunders noted that there are no records of any  
29 exploratory wells or other subsurface investigations, that the reviews by the staff and state  
30 geologists focus on known records including soils and geologic maps, and that the soils and rock  
31 formations were determined not to be conducive to oil, gas or mineral formations.

32  
33 MOTION: Director Hinckley moved to approve Resolution 1377, Mitchell Hill Mineral  
34 Relinquishment.

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36 SECOND: Mr. Nichols seconded the motion.

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38 ACTION: The motion was approved unanimously.

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40 **Hansville Mineral Relinquishment: 02-0536699, 02-076548, 02-076549**

41 Mr. Saunders introduced the Hansville Mineral Estate Relinquishment, noting the comments of  
42 support, presented by the Chairman of the Port Gamble S'Klallam Tribe, during the opportunity  
43 for public comment on land transactions. The 391 acre Hansville property, located in Kitsap  
44 County, North of Poulsbo and adjacent to the Port Gamble S'Klallam tribe's reservation, was  
45 sold at auction to the tribe in 2004 for \$4,380,000 with the mineral rights reserved. The tribe  
46 subsequently transferred the surface estate to the Bureau of Indian Affairs (BIA) to hold in trust  
47 for the tribe. The BIA has requested relinquishment of the mineral estate. Reviews by a staff  
48 geologist, the state geologist, and a consulting geologist for the tribe have all determined that no

1 mineral value is known or expected in association with this property. Mr. Saunders  
2 recommended approval of Resolution 1378.

3  
4 Mr. Kaino asked if the trusts were receiving any compensation for the relinquishment.  
5 Commissioner Goldmark noted that, given there is no value associated with the mineral rights,  
6 no compensation was involved.

7  
8 MOTION: Director Hinckley moved to approve Resolution 1378, Hansville Mineral  
9 Relinquishment.

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11 SECOND: Mr. Nichols seconded the motion.

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13 ACTION: The motion was approved unanimously.

14  
15 **CHAIR REPORTS**

16 Update on the Marbled Murrelet Conservation Strategy  
17 Peter Goldmark, Chair, Commissioner of Public Lands

18  
19 Chair Goldmark made note of the removal of the agenda item "Minor Amendment of the HCP".  
20 He explained the delay is due to the need for more time to review SEPA comments and provide a  
21 proper response. He also informed the board of the possibly of special meetings, and perhaps an  
22 August meeting, in order to meet the timeline to complete the Marbled Murrelet Conservation  
23 Strategy.

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25 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

26 No comments.

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28 **EXECUTIVE SESSION**

29 Chair Goldmark adjourned the regular meeting to Executive Session.

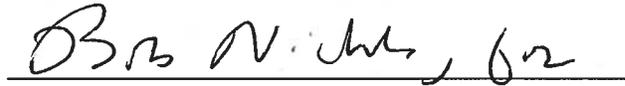
30  
31 Chair Goldmark reconvened the regular meeting and then immediately adjourned the meeting.

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33 Meeting adjourned at 9:45.  
34

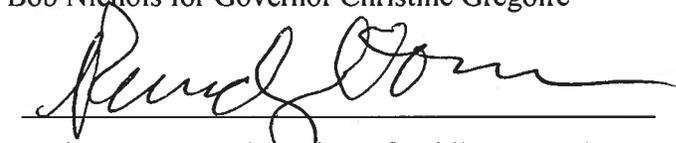
Approved this 15<sup>th</sup> day of May, 2012



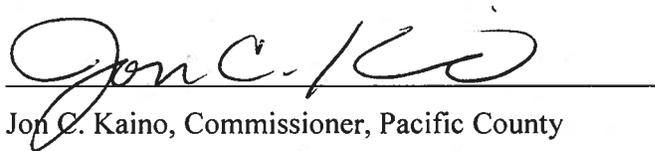
Peter Goldmark, Washington State Commissioner of Public Lands



Bob Nichols for Governor Christine Gregoire



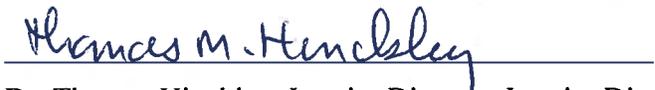
Randy Dorn, Superintendent of Public Instruction



Jon C. Kaino, Commissioner, Pacific County

approved via conference call

Daniel J. Bernardo, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University



Dr. Thomas Hinckley, Interim Director, Interim Director, School of Environmental and Forest Sciences,  
University of Washington,

Attest:



Tami Ishler, Board Coordinator